

NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION UTAH STATE COAL LEASE ML-48258

NOVEMBER, 2007
(REVISED MARCH 2008)



C/O Interwest Mining Company
(Managing Agent)



Energy West Mining Company
(Mine Operator)

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DIV. OF OIL, GAS & MINING

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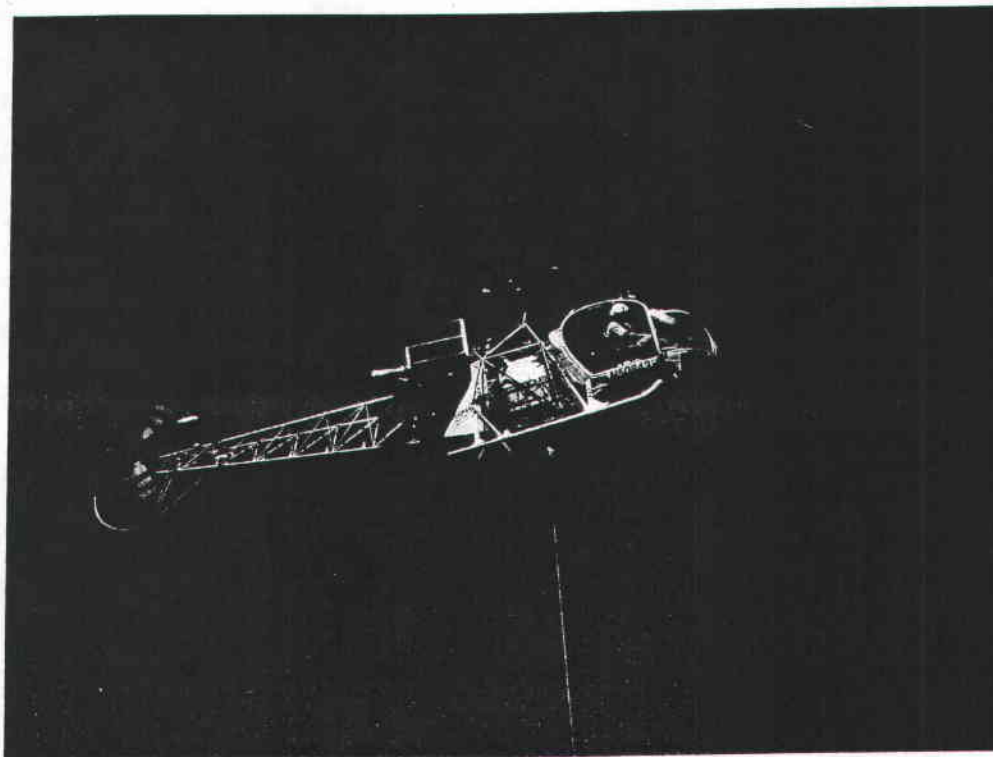
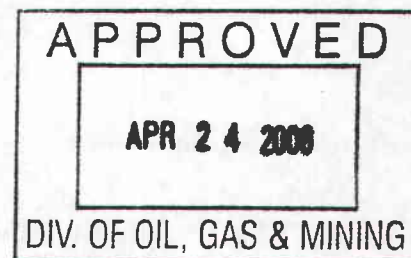
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Refer to Record No. 0066 Date 10/08/2008

In CD 150018, 2008, Incoming

For additional information



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R645-200. Coal Exploration: Introduction.

PacifiCorp proposes to drill up to a total of six (6) coal exploration holes within the Mill Fork Coal Lease ML-48258 in the year 2008. For ease of reference, this plan follows the format of the applicable portions of the Utah Division of Oil, Gas, and Mining (hereinafter referred to as "the Division") rules (R645-200 through R645-203) regarding Coal Exploration.

R645-200-100. Scope. (Minor Coal Exploration):

122. **Minor Coal Exploration.** PacifiCorp intends to drill at least six (6) 3" diameter core holes that will intercept 1 or more coal seams each. The exploration will occur on a designated Utah state coal lease (ML-48258). Less than 250 tons of coal will be removed. PacifiCorp is hereby filing a Notice of Intention to Conduct Minor Coal Exploration under the requirements of R645-201-200.

R-645-200-200. Responsibilities.

210. **Responsibility to Comply with Regulations.** PacifiCorp will comply with the requirements of R645-200 through R645-303.
220. **Responsibility of the Division to Review and Reply.** The Division will receive and review this Notice of Intention to Conduct Minor Coal Exploration. The Division will review and reply within 15 days.
230. **Responsibility of the Division to Coordinate with Other Agencies.** The Division will coordinate review of this Notice with the other appropriate government agencies (SITLA, U.S.D.A. Forest Service, BLM, OSM, etc.). PacifiCorp will provide enough copies of this notice to the Division for distribution to these agencies.

R645-201. Coal Exploration: Requirements for Exploration Approval.

R645-201-100. Responsibilities for Coal Exploration Plan Review.

110. **Coal Exploration Plan Review, Responsibility of Division.** The lands on which this exploration will be conducted, being a state coal lease issued to PacifiCorp, are not subject to 43 CFR Parts 3480-3487. Therefore, exploration plan review will be the responsibility of the Division.

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120. **Requirements of 43 CFR 3480-3487.** N.A.
130. **Division Responsibility to Coordinate with Other Agencies.** This revised Notice of Intention to Conduct Minor Coal Exploration and Drilling Plan will be submitted to the Division as the lead agency for review and approval.

R645-201-200. Notices of Intention to Conduct Minor Coal Exploration.

210. **Division Review Requirement.** Notices of Intention to Conduct Minor Coal Exploration where 250 tons or less of coal will be removed require Division review prior to conducting exploration. PacifiCorp is submitting this revised notice to the Division in February of 2008, allowing the Division and other agencies time to review and approve the Notice before exploration activities begin on May 15, 2008.
220. **Required Applicant Information.** This Notice of Intention to Conduct Minor Coal Exploration is required to include the following pertinent information.

221. Name, Address, and Telephone Number of Applicant:

APPLICANT:

PacifiCorp
One Utah Center
201 South Main, Suite 2100
Salt Lake City, Utah 84140-0021
(801)220-4612

OPERATOR:

Energy West Mining Company
15 North Main Street
Huntington, Utah 84528
(801)687-9821

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222. Name, Address, and Telephone Number of the Applicant's Representatives:

RESPONSIBLE REPRESENTATIVE:

Chuck Semborski or Ken Fleck
Energy West Mining Company
15 North Main Street
P.O. Box 301
Huntington, Utah 84528
(435)687-4720
(435)687-4721

223. Description of Exploration Area. Narrative and map describing the exploration area and indicating where exploration will occur:

PROPOSED EXPLORATION AREA:

The proposed drill holes are located within the current Utah State Coal Lease ML-48258, in Section 11 and 12, Township 16 South, Range 6 East, Salt Lake Base and Meridian. The drilling will occur on lands in which the surface is administered by the U.S.D.A. Forest Service (USFS) and the subsurface by the State of Utah (see accompanying maps entitled Mill Fork Coal Lease - Coal Exploration - General Location Maps, Aerial Photos, Surface Ownership Map, Coal Ownership Map, Waterline and Pump Location Map).

The proposed holes will be drilled in Crandall Canyon and Mill Fork Canyons. All sites will be located at or above the Castlegate Sandstone. Access to these locations will be from Upper Joes Valley and/or Mill Fork staging areas (see Raptor Locations, Helicopter Flight Paths and Staging Areas map). The Joes Valley staging area will be the primary site and the Mill Fork staging area will be considered the secondary staging area to minimize potential impacts to raptors.

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Table 1. Mill Fork Coal Lease Proposed Drilling for 2008:

HOLE NUMBER	LOCATION	ELEVATION (Feet)	DEPTH (Ft)	SURFACE OWNERSHIP	COAL OWNERSHIP
2008-1	1,080' South, 1900' West from NE Corner of Sec. 11 T. 16S., R. 6E.	9,570'	1,680'	USFS	State Coal Lease ML-48258
2008-2	200' South, 830' West of the NE Corner of Sec. 11, T. 16S., R. 6E.	9,485'	1,600'	USFS	State Coal Lease ML-48258
2008-3	1,438' South, 1,635' East of the NW Corner of Sec. 11, T. 16S., R. 6E.	9,603'	1,700'	USFS	State Coal Lease ML-48258
2008-4	1,966' West, 2,023' South of the NE corner of Section 12, T.16S., R. 6 E.	9,986'	1,950'	USFS	State Coal Lease ML-48258
2008-5	2,064' East, 2,380' South of the NW corner of Section 12, T.16S., R. 6 E.	9,965'	1,950'	USFS	State Coal Lease ML-48258
2008-6	1,997' West, 1,698' North of the SE corner of Section 12, T.16S., R. 6 E.	9,317'	1,400'	USFS	State Coal Lease ML-48258

224. Period of Intended Exploration:

PROJECT STARTUP DATE:

Helicopter Supported Drill Holes 2008 1-6

May 15, 2008

PROJECT COMPLETION DATE:

July 15, 2008

(If PacifiCorp is unable to complete the number of holes proposed for any reason in 2008, future drilling of the approved sites will adhere to the protection measures for raptors detailed in R645-200-230, future raptor surveys and consultation with USFS, USFWS and DOGM).

It is anticipated that all drilling and reclamation activities associated with this project will be completed within 60 days following the date of implementation.

March, 2008

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- 225. Method of Exploration.** Method of exploration to be used, amount of coal to be removed, and practices to be used to protect the area from adverse impacts and reclaim the area in accordance with R645-202:

The method of exploration to be used is helicopter-assisted drilling, in which the primary mode of transportation for drilling equipment and personnel is by helicopter, rather than by road. By using this method, drilling equipment can be transported into remote areas inaccessible by road to conventional drilling rigs, and environmental impact to the surface is minimized. All drills, drilling equipment, and personnel will be transported to the individual drilling sites by helicopter from staging areas located on existing roads (see Raptor Locations, Flight Paths and Staging Areas Map).

Pre-Work Meeting:

A pre-work meeting including the responsible company representatives, contractors, State of Utah Institutional Trust Lands Administration, and the Forest Service will be conducted at the project location prior to commencement of operations.

Drill Methods & Procedures: Three inch maximum diameter holes will be core or rotary drilled the entire length to the approximate depths stated previously in the drill hole location and depth table. Drilling depth will be sufficient to accomplish penetration through both the Blind Canyon and Hiawatha coal seams, and to enter the Star Point Sandstone. The drilling will be done by a drilling contractor(s) experienced in helicopter supported drilling. The drills used are diesel powered rotary drill rigs mounted on 6' x 8' skids. Drilling will utilize water and, as necessary, a biodegradable polymer drilling "mud" such as MINEX 1330 (MSDS available upon request).

The following support equipment will be required:

- 3 pickup trucks: stationed at the staging area
- 1 Flatbed semi-trailer for mobilization/de-mobilization of the drill rig
- 1 Lama helicopter and support truck
- 1 Storage trailer to be stationed at the staging area

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The drill rig components and associated materials, tools and equipment will be transported by truck to the helicopter staging areas indicated on the accompanying map. The tools and materials and personnel necessary for site preparation will be transported to the drill site by helicopter. Site preparation will include removal of dead-fall and brush as necessary. Minor digging, using hand tools, may be necessary at some locations to achieve effective placement of the leveling support materials (wood blocks, etc.). Brattice or other similar material will be placed on the ground beneath the drill rig. The drill rig is made up of several components which will be transported to the site by helicopter in several "lifts". The drill rig components will then be assembled at the drill site, the rig will be leveled and other necessary materials will be flown to the site.

Drill Hole Access and Pad Construction:

No access road or pad construction will be necessary for the proposed project. Drilling equipment and materials will be transported to the drill site by helicopter. Personnel will access the site by vehicle and helicopter via existing roads and on foot. The drill sites are relatively level (30 percent or less slope); therefore, minimal site preparation will be necessary. Vegetation, in the form of trees, grasses, forbs and sparse, low shrubs, will not be removed. However, it may be necessary to remove dead-fall and some "taller" shrubs (mahogany, etc.)/aspen trees for safety reasons. This will be minimized and accomplished using hand tools. The dead-fall will be replaced upon completion of drilling. An area no larger than approximately 40' by 40' will be occupied at the drill site. Leveling of drilling equipment will be accomplished using hand tools and supports (wood blocks, etc.) transported to the site by helicopter. All materials, tools and equipment will be removed immediately upon completion of drilling and reclamation activities.

A 1" diameter high-pressure hose will be laid overland from the pump stations to each drill site. This will be accomplished by hand and/or helicopter. No clearing of vegetation will be necessary for placement of the water hose. Existing openings among the trees will be utilized for water line placement. No vegetation clearing will occur at the water tank/pump sites or the helicopter staging areas. Activities will be confined to the existing roads in Cottonwood Canyon, Mill Fork Canyon and Indian Creek. The necessary approvals will be obtained from the U.S. Forest Service for activities associated with the respective roads.

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Amount of Coal to be Removed: As previously discussed, a 3" maximum diameter hole will be core or rotary drilled for the entire depth of the hole. The hole will penetrate through both the Blind Canyon and Hiawatha coal seams if possible. The core and/or cuttings will be examined to determine coal seam characteristics. This will result in approximately a maximum of 20 pounds of coal being removed per hole, with a total of about 220 pounds removed for study and analysis.

Practices to Protect from Adverse Impacts and to Reclaim the Area: During drilling, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek or Cottonwood Waste Rock sites for disposal. Containment of possible fluid spills will be achieved through the use of brattice ground cover, silt fence, and if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean-up, the site of removal will be recontoured and seeded with the approved seed mixture.

In order to minimize impacts to wildlife, particularly raptors, all non-essential helicopter flight paths will be 1,000 feet above terrain whenever possible between landing zones or drill sites.

Fire Suppression Equipment:

All gasoline and diesel powered equipment will be equipped with effective mufflers or spark arresters which meet applicable Forest Service specifications. Fire suppression equipment will be available to all personnel working at the project site. Equipment will include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or combustion engine.

Fuel and/or lubricating oil containers not stored in a truck will be placed on brattice or other acceptable ground cover at a site located away from drainage channels and surrounded by brattice, earthen berm or other acceptable containment structure. If spills occur, clean-up will be conducted as stated above.

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Access by personnel associated with the drilling project will be via vehicle or helicopter to Mill Fork Canyon and Indian Creek and by foot to the drill site. Therefore, no additional access facilities will be constructed.

Following completion of drilling and cementing of the hole, the drill rig and all associated equipment and materials will be removed by helicopter to the helicopter staging areas and transported from the area by vehicle. The water hose, tanks and pumping station and all associated materials and equipment will be removed. All trash and extraneous materials will be removed from the US Forest Service property and disposed of at an approved location. The sites will be reclaimed by: 1) Removing all trash, cuttings, and contaminated soil. 2) Recontouring site to original contour, and 3) Re-seeding with the approved seed mix, and scattering deadfall over the site.

R645-202. Coal Exploration: Compliance Duties.

R645-202-100. Required Documents.

"Each person who conducts coal exploration which substantially disturbs the natural land surface will, while in the exploration area, have available a copy of the Notice of Intention to Conduct Minor Coal Exploration...for review by an authorized representative of the Division upon request."

Road Use Permits:

The Forest Service will be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.

Mill Fork Canyon (U.S. Forest Development Road #245): Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area located along U.S. Forest Service Road #245 in Section 21, Township 16 South, Range 7 East.

Cottonwood Creek (U.S. Forest Development Road #040): Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area at the head of Cottonwood Canyon (Flat Canyon), and for use of U.S. Forest Service Road #040 in Sections 22, 27, 35, Township 16 South, Range 6 East and Sections 2,3, 10, 11, 14, 23, 24 and 25, Township 17 South, Range 6 East.

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Indian Creek (U.S. Forest Development Road #017): Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area located along the east side of U.S. Forest Service Road #221 in Section 15, Township 16 South, Range 6 East.

Special Use Permit:

As required by the U.S. Forest Service, PacifiCorp will apply for a Special-Use Application (Form 2700-3) for the proposed exploration. Each drill site will occupy approximately 0.04 acre for a total area of use of approximately 0.24 acres.

Archeological Information:

The proposed locations in Crandall and Mill canyons are located on the eastern flank of East Mountain. As detailed in the previous section, no earthwork or excavation is necessary utilizing helicopter supported drilling techniques.

As required by the U.S.D.A. Forest Service, PacifiCorp contracted EarthTouch, LLC. (Scott Billat) to conduct a Class I file search as well as a Class III survey of the proposed 2008 drilling activities. Based on a drill site visit with Mr. Billat, no known archaeological sites are situated at the proposed drill locations 2008-1 and 2008-2. Drill locations 2008-3 through 2008-6 will be surveyed on the surface prior to drilling. Findings of the file search and field review will be transmitted to the Forest Service by EarthTouch, LLC.. In addition, a copy of the report stamped "confidential" is on file at the Division of Oil, Gas and Mining which documents the findings of the report.

In the unlikely event that cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources will cease and the Forest Service will be notified as soon as possible of the discovery.

PacifiCorp will make sufficient copies of all coal exploration permit documents, including the Notice of Intent, the Forest Service drilling stipulations, and all applicable road use, special use, and other permit documents at each drill site, and in each field vehicle used during the exploration program, for the duration of the program.

R645-202-200. Performance Standards.

March, 2008

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- 210. Requirements of the State Program.** All coal exploration and reclamation operations which substantially disturb the natural land surface will be conducted in accordance with the coal exploration requirements of the State Program, and any conditions on approval for exploration and reclamation imposed by the Division.

PacifiCorp will comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan.

- 220. Inspection and Enforcement.** Any person who conducts any coal exploration in violation of the State Program will be subject to the provisions of 40-10-20 of the Act and the applicable inspection and enforcement provisions of the R645 Rules.

PacifiCorp will comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan. PacifiCorp welcomes inspection of its exploration operations at any time during exploration.

- 230. Operational Standards.**

- 231. Non-Disturbance of Habitats.** Habitats of unique or unusually high value for fish, wildlife, and other related environmental values and critical habitats of endangered or threatened species identified pursuant to the Endangered Species Act of 1973 (16 U.S.C. 1531 et. seq.) will not be disturbed during coal exploration.

The vegetation in the area (refer to Deer Creek MRP, Volume 12, Biology chapter, pages 3-1 through 3-5 and also Map MFS1821D in the Maps Section) consists of a Cottonwood/Aspen/Fir/Dogwood community in the bottom of the canyons and Spruce-Fir Coniferous Forest inter-mixed with aspen communities on the south side slopes and dense Spruce-Fir Coniferous Forest on the north slopes. The primary land uses associated with the area are wildlife habitat, livestock grazing and recreation. The area is presently classified for the following wildlife uses by the Utah Division of Wildlife Resources (DWR):

Mule Deer	High Priority Summer Range
Elk	Critical Winter Range and High Priority Summer Range

The proposed drilling is not expected to have a detrimental impact on any of these species, their habitat or other land uses associated with the area.

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Surveys for Threatened, Endangered and Sensitive (TES) plant and animal species have been conducted in connection with various projects in this area of Rilda Canyon (Surface Facilities, Permit Extension and Powerline) and the Mill Fork coal leasing process (refer to Deer Creek MRP, Volume 12, Biology chapter for all information concerning TES species within the Mill Fork area). Results of these surveys have been provided to the various regulatory agencies in the applications for the projects. No TES plants and animals have been found in the area of the proposed drill holes.

Energy West, in cooperation with the Division of Wildlife Resources, conducts annual raptor surveys in and adjacent to mine permit boundaries, including the Mill Fork State Lease ML-48258 (refer to Raptor Location and Status - 2007 Survey Data results located in the Minor Exploration Coal Exploration confidential envelope). Raptor activity in Mill Fork Area was evaluated during May 2007. Based on the previous surveys, the proposed 2008 drill sites located in Crandall Canyon and the flight lines from the primary staging area in Joes Valley, all exploration activities are outside ½ mile protective buffer zones. Status of the 2008 raptor activity will be evaluated prior to use of the secondary staging area in Mill Fork Canyon.

PacifiCorp proposes to commence helicopter supported drilling operations on May 15, 2008. To reduce potential raptor impacts, PacifiCorp will comply to the following:

- all non-essential flights will be conducted at 1000 feet above ground level.
- Joes Valley staging area will be considered the primary site.
- Mill Fork staging area will be located along FDR #245 and will be considered the secondary site and will be used based on the 2008 raptor survey results.
- drill activity for holes located within the ½ mile buffer zone of active nests will be scheduled after July 15 or after the juvenile(s) have fledged. Prior to mobilization to holes within ½ buffer zone, Energy West will monitor nests activity and transmit the data within 24 hours of the survey to USFS (Tom Lloyd), USFWS (Diana Whittington) and DOGM (Jerriann Ernsten).

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In recent years the surface management agency (Forest Service) has expressed concern related to potential impacts to the Northern Goshawk (management indicator specie for the Manti -La Sal National Forest). As stated in the: State of Utah School and Institutional Trust Lands Administration (SITLA) Access Road on East Mountain Final Environmental Impact Statement prepared by the Forest Service (page 76), *Goshawk nest sites are usually located in dense, mature forests with relatively large trees, near water, and on benches of relatively little slope. On page 78 the Final Environmental Impact Statement states that, "In order to reduce potential direct impacts to the goshawk, known goshawk territories will be monitored prior to implementation of project activity. If a territory is active, no project related activity would occur within a 30-acre buffer around the active nest between March 1 and September 30. In addition, no construction, drilling activity or commercial traffic will be allowed within 0.5 mile of an active goshawk nest between March 1 and August 15, unless a Forest Service biologist determines that the activity would not likely lead to nest abandonment or reduce survival potential for fledglings.*

In past drilling activities associated with the Mill Fork lease, Forest Service biologists have identified two goshawk territories. Proposed drilling activities and associated flightlines for 2008 have been situated to minimize potential impacts to the goshawk territories.

- 232. Road Construction and Use.** All roads or other transportation facilities used for coal exploration will comply with the applicable provisions of R645-301-358...R645-301-762.

PacifiCorp will use only existing roads for this project. No new roads will be constructed.

- 233. Topsoil Removal and Storage.** Topsoil will be separately removed, stored, and redistributed on areas disturbed by coal exploration activities as necessary to assure successful revegetation or as required by the Division.

The method of drilling used by PacifiCorp for these holes assures that topsoil is not disturbed except where small excavations are made necessary for leveling the rig and associated components. Brattice ground cover is used under the rig to protect the topsoil and surface vegetation; therefore the topsoil is not disturbed.

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- 234. Diversions of Overland Flows.** Diversions of overland flows and ephemeral, perennial, or intermittent streams will be made in accordance with R-645-301-742.3.

PacifiCorp will obtain the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the proposed drill holes. Water for the Crandall Canyon drill holes will be pumped/gravity fed directly from the un-named drainages located near the drill holes. No disturbance is made to the stream course.

The amount of water required for the project is estimated at 40,000 gallons per hole. Therefore, the maximum total quantity of water to be used is estimated at approximately 240,000 gallons (0.74 acre feet). A *Temporary Exchange Application* will be filed and approved with the State of Utah, Division of Water Rights prior to commencement of operations.

- 235. Minimizing Disturbance to Hydrologic Balance.** Coal exploration will be conducted in a manner which minimizes disturbance to the prevailing hydrologic balance in accordance with R645-301-356.300 and R645-301-763. The Division may specify additional measures which will be adopted by any person engaged in coal exploration.

During exploration, surface disturbance will consist only that which is necessary to level the rig and associated structures. No drill pad will be constructed, so there will be no additional runoff during precipitation events. No impoundments to contain runoff will be necessary. Overall impact on the hydrologic balance will be minimal, if any.

- 236. Acid- or Toxic Forming Materials.** Acid- or toxic-forming materials will be handled and disposed of in accordance with R645-301-731.110, 731.300, and 553.260.

No acid- or toxic earth materials or coal waste will be produced used, or handled during this drilling program.

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240. Reclamation Standards.

- 241. Excavations.** If excavations, artificially flat areas, or embankments are created during exploration, these areas will be returned to the approximate original contour promptly after such features are needed for coal exploration.

The only excavations that will be made will be small shovel cuts made for leveling the rig and associated equipment. These will be promptly filled in to original contour as soon as the drilling equipment is removed from each site.

- 242. Re-Vegetation.** All areas disturbed by coal exploration activities will be revegetated in a manner that encourages prompt revegetation and recovery of a diverse, effective, and permanent vegetative cover. Revegetation will be accomplished in accordance with the following :

- 242.1 Re-Seeding.** All areas disturbed by coal exploration activities will be seeded or planted to the same seasonal variety native to the areas disturbed. If the land use of the exploration area is intensive agriculture, planting of the crops normally grown will meet the requirements of R645-202-242.100.

All drilling areas will be promptly re-seeded upon completion of each hole, removal of equipment, and recontouring of the site, if necessary, with a seed mix approved by the surface management agency and the Division.

The following is the seed mix specified from previous years approved drilling permits, and will be used unless changes are indicated by the agencies.

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<u>Species</u>	<u>lbs/acre (PLS)</u>
Basic Mix	
Columbia needle grass - <i>Stipa columbiana</i>	4.5
Slender wheatgrass - <i>Elymus trachycaulus</i>	4.5
Sandbergs bluegrass - <i>Poa secunda</i>	0.75
Pacific aster - <i>Aster chilensis</i>	0.2
Supplement*	
Sulfur flower - <i>Eriogonun umbellatum</i>	2.0
Rocky Mountain penstemon - <i>Penstemon strictus</i>	0.75

* Seed should be purchased in individual seed packets, not as mixture.

The seed mixture will be hand broadcast and the area will be hand raked following seeding to cover the seed. Following seeding, any dead-fall that was removed from the drill site will be replaced.

242.2 Soil Surface Stability. The vegetative cover will be capable of stabilizing the soil surface from erosion.

Since the soil and vegetative cover will not be removed, and the vegetation will spring back up as soon as the drilling equipment is removed, this requirement will be met.

No crops are raised in the project area. Crop replacement will not be necessary.

243. Reclamation of Boreholes. Each exploration hole, borehole, well, or other exposed opening created during exploration will be reclaimed in accordance with R645-301-529, R645-301-551, R645-301-631, R645-301-738, and R645-301-765.

No mine openings or exploration openings will be created, therefore R645-301-529 and R645-301-551 do not apply in this case. None of these

**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
REVISED MARCH 2008**

holes will be turned into water monitoring wells, due to the lack of measurable groundwater in the area and the remote locations of the holes. Therefore, R645-301-738 and R645-301-765 do not apply.

Groundwater is not anticipated to be encountered; therefore, the proposed holes will not be retained as water monitoring wells. However, if groundwater is present, it will be reported to the appropriate agencies (SITLA, USFS, DOGM) and a determination will be made regarding the transfer and possible modification of the drill hole to a monitoring well.

Upon completion of down-hole procedures, each drill hole will be completely sealed with cement/bentonite from the bottom of the hole to ground level. The cement slurry mixture used to plug and seal the hole will be mixed in compliance with standard cement mixing tables (e.g. Halliburton). Enough cement will be mixed and pumped into the hole to completely seal the coal horizon. The remainder of the hole will be filled with a bentonite slurry to within 5' of the surface and a cement surface plug will fill the top 5'. A brass monument marker will be placed in the top of the cement surface plug with the hole number and year. The Bureau of Land Management Price Field Office will be contacted prior to completion to verify the abandonment procedures. Any variance from this procedure will be approved in advance by SITLA and DOGM.

- 244. Removal of Equipment.** All facilities and equipment will be promptly removed from the exploration area when they are no longer needed for exploration, except for those facilities and equipment that the Division determines may remain to:

244.1 Provide additional environmental data;

244.2 Reduce or control the on-site and off-site effects of the exploration activities;

244.3 Facilitate future coal mining and reclamation operations by the person conducting the exploration.

When each drill rig setup is no longer needed for the project, the complete assemblage of equipment will be removed immediately from the area to

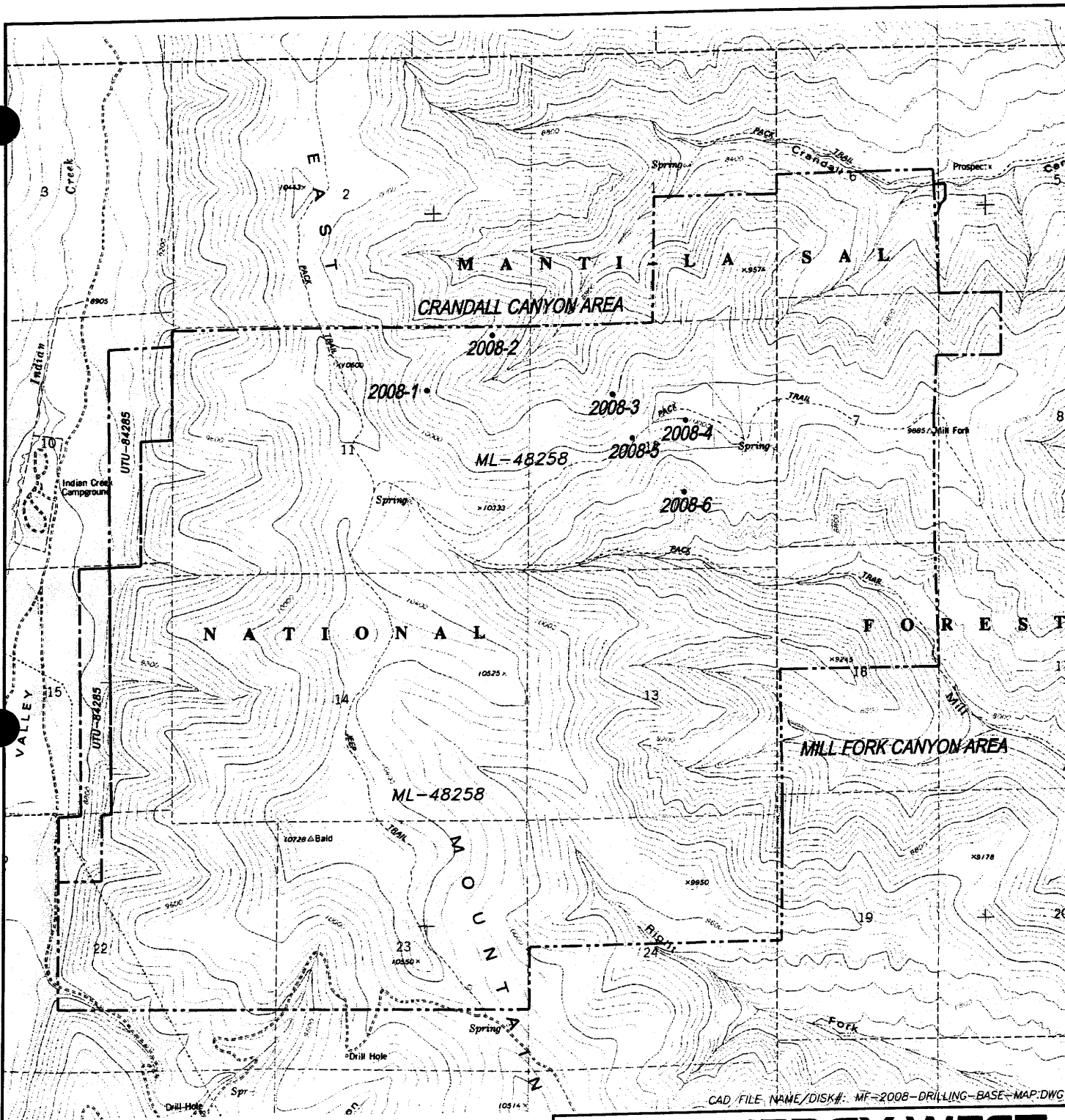
**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
REVISED MARCH 2008**

facilitate reclamation work and free this equipment for use elsewhere by the contractor.

PacifiCorp does not anticipate needing this equipment for any further use in the exploration area.

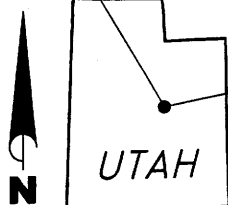
**R645-203. Coal Exploration: Public Availability of Information.
R645-203-100. Public Records.**

Except as provided in R645-203-200, all information submitted to the Division under R645-200 will be made available for public inspection and copying at the Division.




CAD FILE NAME/DISK#: MF-2008-DRILLING-BASE-MAP.DWG

2008-1 Proposed 2008 Drill Hole



Modified from
Rilda Quadrangle
7.5 Minute Series

 ENERGY WEST MINING COMPANY A SUBSIDIARY OF PACIFICORP	
2008 COAL EXPLORATION UTAH STATE COAL LEASE ML-48258 GENERAL LOCATION MAP	
DRAWN BY: K. LARSEN
SCALE: 1" = 3000'	DRAWING #:
DATE: FEBRUARY 29, 2008	SHEET 1 OF 1 REV.



CAD FILE NAME/DISK#: 2008 DRILLING PLAN.DWG



**ENERGY WEST
MINING COMPANY**
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
CRANDALL CANYON AERIAL PHOTO

DRAWN BY: K. LARSEN

SCALE: 1" = 1/8 MILE

DATE: FEBRUARY 29, 2008

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DRAWING #:

SHEET 1 OF 1

REV. ____



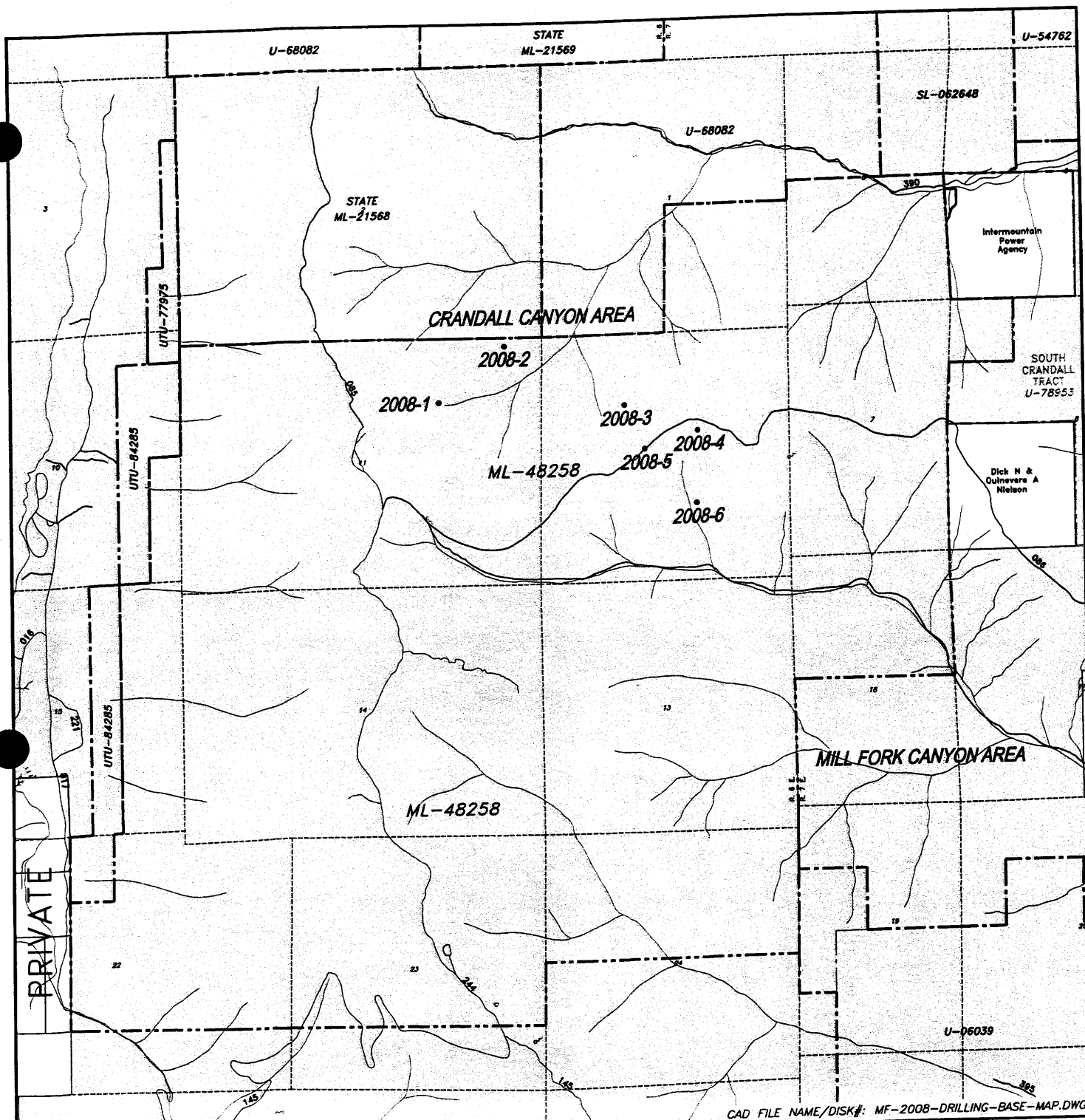
CAD FILE NAME/DISK#: 2008 DRILLING PLAN.DWG



**ENERGY WEST
MINING COMPANY**
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
CRANDALL CANYON AERIAL PHOTO


DRAWN BY:	K. LARSEN	...	
SCALE:	1" = 1/8 MILE	DRAWING #:	
DATE:	FEBRUARY 29, 2008	SHEET 1 OF 1	REV. ____

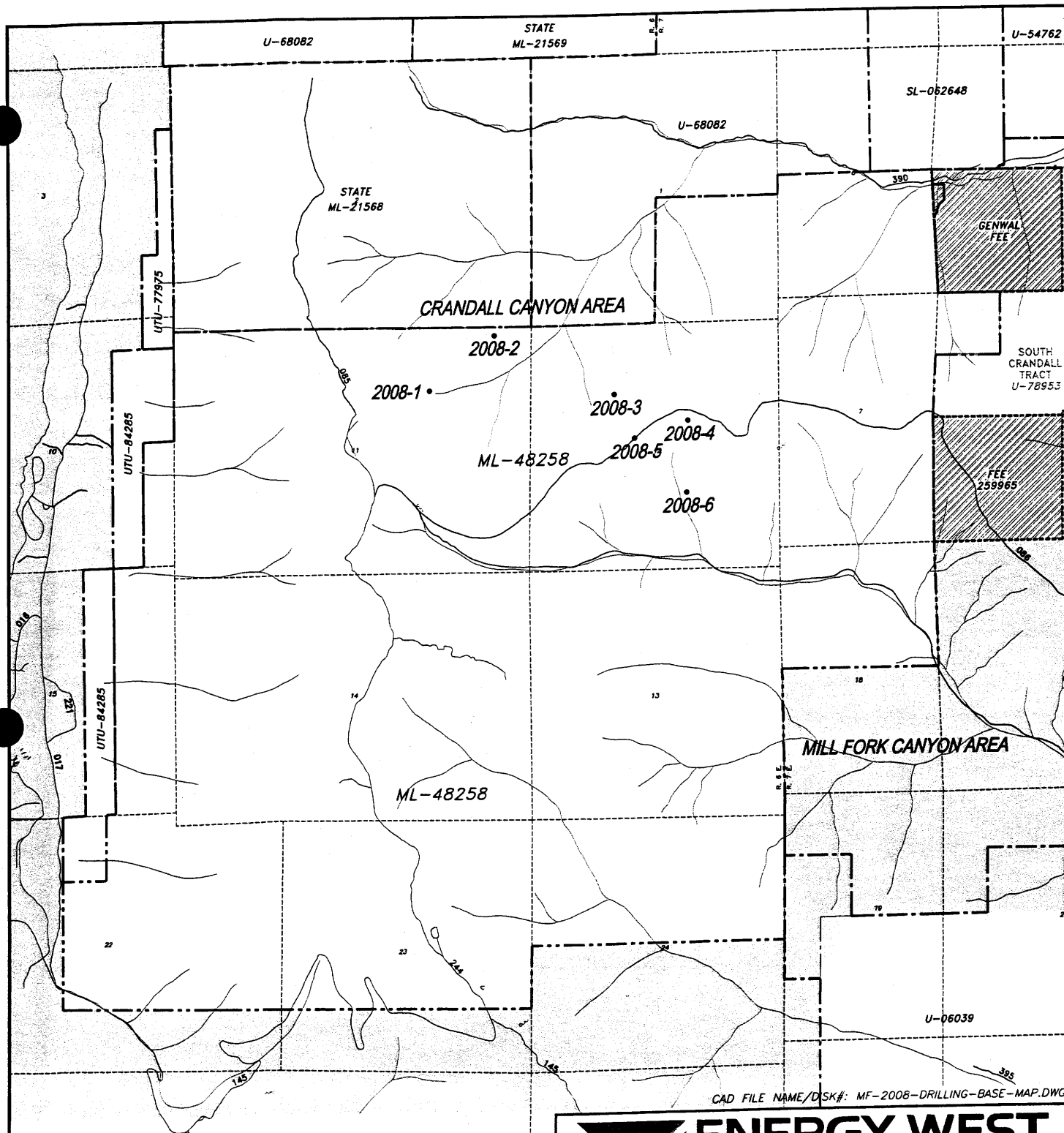


2008-1 Proposed 2008 Drill Hole

U.S. NATIONAL FOREST

Modified from
Rilda Quadrangle
7.5 Minute Series

 ENERGY WEST MINING COMPANY A SUBSIDIARY OF PACIFICORP	
2008 COAL EXPLORATION UTAH STATE COAL LEASE ML-48258 SURFACE OWNERSHIP MAP	
DRAWN BY: K. LARSEN
SCALE: 1" = 3000'	DRAWING #:
DATE: FEBRUARY 29, 2008	SHEET 1 OF 1 REV. ____

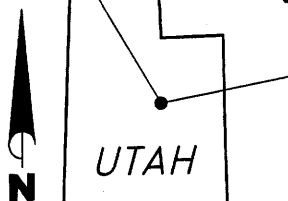


2008-1 Proposed 2008 Drill Hole

UNLEASED FEDERAL COAL

██████ FEE COAL

Modified from
Rilda Quadrangle
7.5 Minute Series



**ENERGY WEST
MINING COMPANY**

A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
COAL OWNERSHIP MAP

DRAWN BY: K. LARSEN

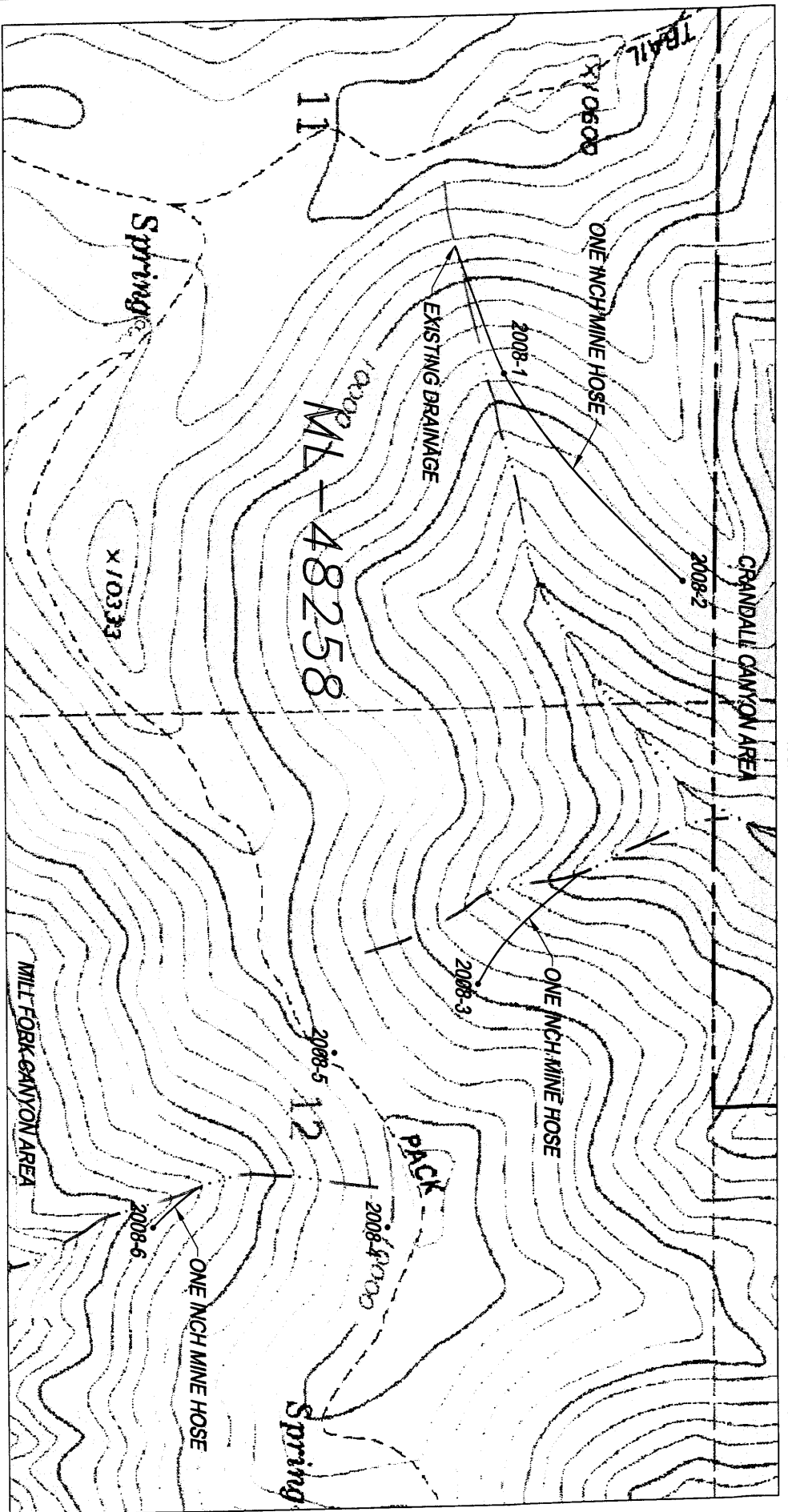
SCALE: 1" = 3000'

DATE: FEBRUARY 29, 2008

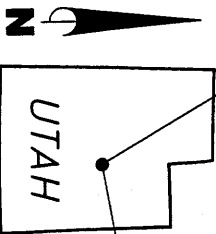
DRAWING #:

SHEET 1 OF 1

REV.



2008-1 Proposed 2008 Drill Hole



Modified from
Rilda Quadrangle
7.5 Minute Series

THE PRIMARY WATER SOURCE
FOR DRILLING WILL BE THE
ADJACENT STREAMS AND SPRINGS
GRAVITY FLOW TO RIG
ONE INCH MINE HOSE



ENERGY WEST
MINING COMPANY
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
WATERLINE & PUMP LOCATION MAP #1

DRAWN BY:	K. LARSEN	DRAWING #:
SCALE:	1" = 1000'	SHEET	1 OF 1
DATE:	FEBRUARY 29, 2008	REV.	---

CAD FILE NAME/DISK #: MF-2007-DRILLING-BASE-MAP.DWG



June 17, 2008

Energy West Mining Company
Attn: Ken Fleck
P.O. Box 310
Huntington, Utah

Subject: Class III Inventory of Four Drill Locations for the Mill Fork-East Mountain 2008 Drilling Program, in the East Mountain Area, Manti-La Sal National Forest, Emery County, Utah

Introduction

On behalf of Energy West Mining Company, EarthTouch, Inc. has completed a Class III cultural resource inventory of four exploratory drill locations for Energy West, a subsidiary of PacifiCorp. The project area is situated along the top of the Wasatch Plateau, in the East Mountain area, on the Manti-La Sal National Forest (Figure 1). The four drill locations will be drilled in conjunction with the coal mining exploration plan areas and are part of the 2008 drilling program. The project is part of an on-going drilling program for the development of the Energy West coal mining. The proposed drill locations are situated between 9,000 to 10,000 feet, primarily within dense aspen and pine environment.

The overall project area is west of Huntington, Utah, situated between Mill Creek and Crandall canyons, east of Upper Joes Valley. The project area is along the eastern side of the Wasatch Plateau, on East Mountain, in the western portion of Emery County line. Most of the project area is roadless, with primary access from Upper Joes Valley. The four new drill locations, 2008-03, 2008-04, 2008-5, and 2008-6, were Class III pedestrian inventoried (Figure 2). The identified project drill locations are on lands administered by the Manti-La Sal National Forest. The project is situated on the Rilda Canyon, Utah USGS topographic 7.5 minute map.

Class I

The Class I file search, conducted in November, 2007 at the Manti-La Sal National Forest Service. The file review identified a few cultural resource inventories previously conducted in the project vicinity. These projects primarily consisted of a larger Class II inventory conducted for coal exploration and exploration drilling. No previously recorded cultural resource sites have been documented in the surrounding area.

Inventory Results

The Class III pedestrian inventory of drill locations 2008-03, 2008-04, 2008-5, and 2008-6, was conducted by EarthTouch archaeologist Scott Billat on 17 June 2008. No newly identified sites or isolated artifacts were found during the inventory. The drill locations were contained mostly on relatively steep ridge slopes, with one on top of a ridge, situated mainly in low site potential areas.

Summary

No cultural resources were found during the Class III pedestrian inventory. Initially, the Manti-La Sal Forest had determined in 2006 that due to the low site potential and steep topography in the project area a Class III inventory would be unnecessary. Energy West has chosen to have an archaeologist conduct cultural resource inventories for the drill locations prior to drilling. With snow cover recently melted, drilling of the identified locations will begin in June of 2008. With



regard to cultural resources, Energy West has clearance to proceed with its drilling program for the above-identified drill locations in 2008.

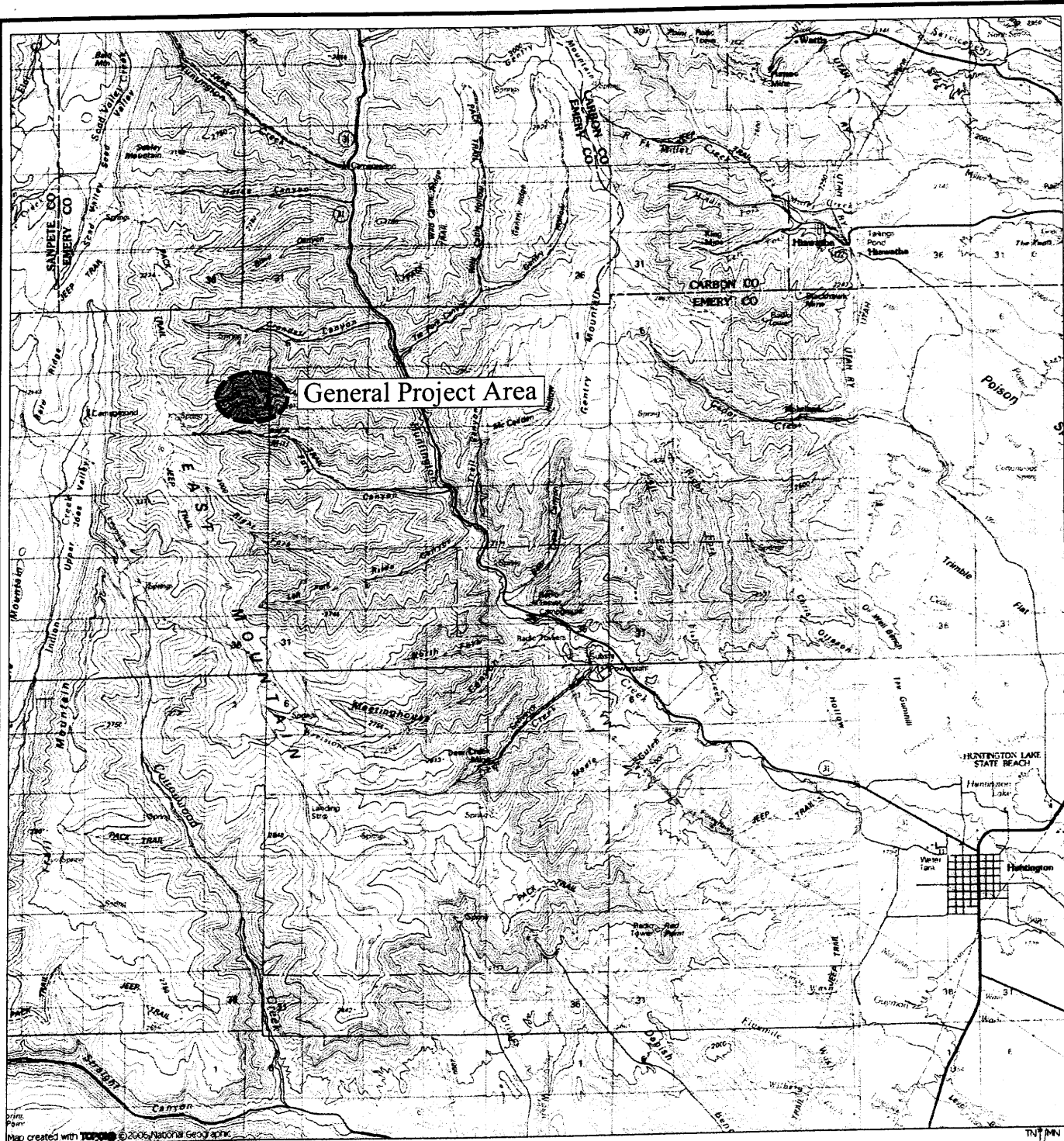
Sincerely,

EarthTouch, Inc.

Scott Billet

Senior Archaeologist
EarthTouch Inc.

Attachments: Figures 1 and 2



NATIONAL
GEOGRAPHIC

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km

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12Ys
02/22/06



EarthTouch, Inc.
3135 North Fairfield Road
Layton, Utah 84041
Tel: 801.771.2800
Fax: 801.771.2838

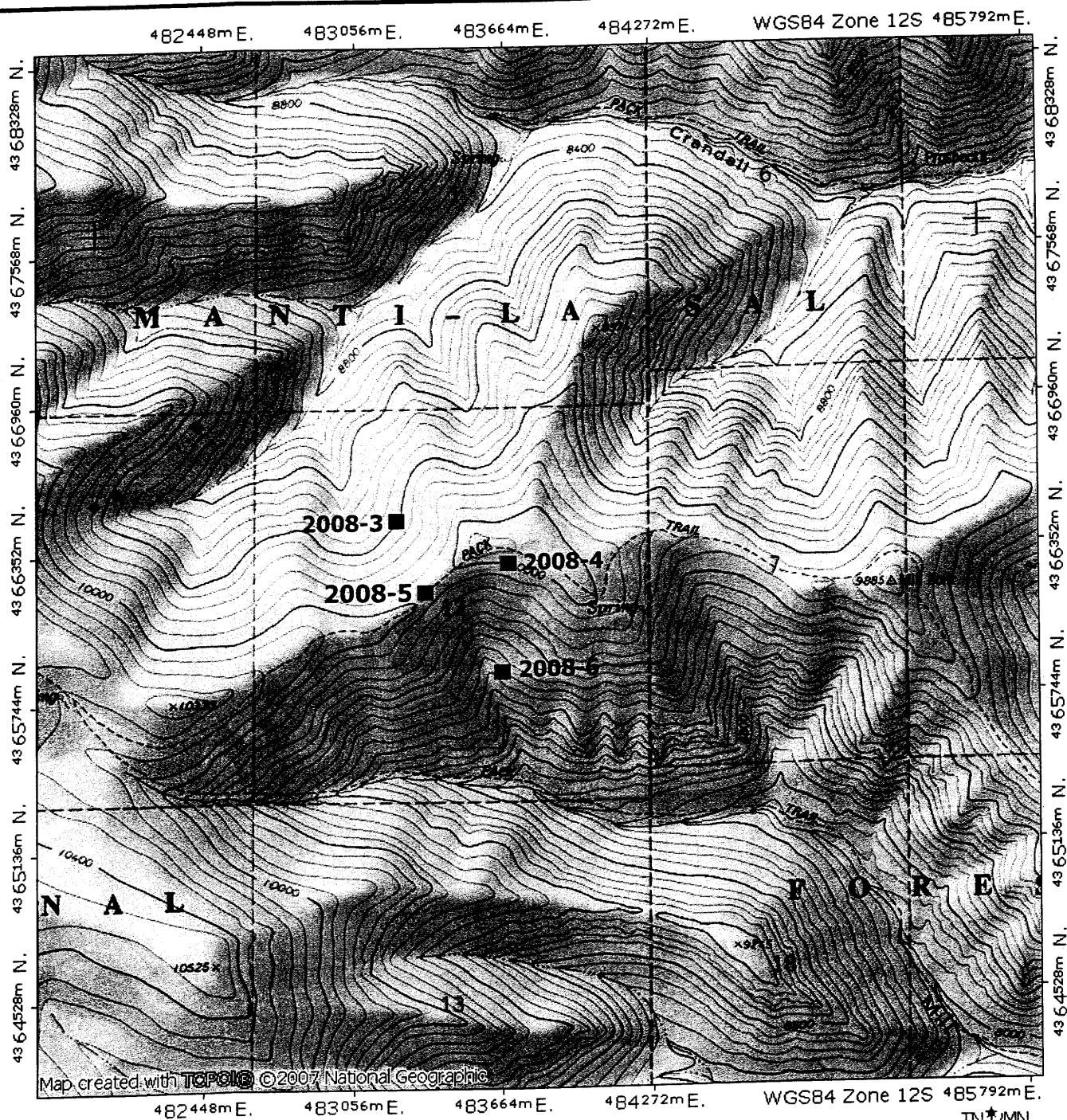
Figure 1 General Project Map

Mill Fork 2008 - East Mountain
Energy West

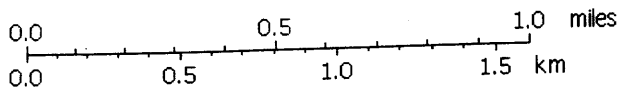
Figure No: 1
Appended:

Project Number:
Project Analyst: S. Billat

Date Prepared:
USGS 1;100,000



**NATIONAL
GEOGRAPHIC**



TN
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12°
06/17/08



EarthTouch, Inc.
3135 North Fairfield Road
Layton, Utah 84041
Tel: 801.771.2800
Fax: 801.771.2838

Figure 2

**Mill Fork 2008 - East Mountain
Energy West**

■ Drill Location

Project Number:
Project Analyst: S. Billat

Date Prepared:
USGS Rilda Canyon, UT



March 25, 2008

Manti - La Sal National Forest
Price District Office
599 W Price River Dr.
Price, UT 84501

Subject: Energy West - 2008 Coal Exploration - Cultural Resource Assessment

On behalf of Energy West Mining Company, EarthTouch, Inc. has conducted a Class I review of four proposed exploratory drilling locations for the 2008 Coal Exploration program. The project area is situated along the top of the Wasatch Plateau, in the East Mountain area, on the Manti-La Sal National Forest. The four drill locations include 2008-3, 2008-4, 2008-5 and 2008-6, situated in Section 12 of T16S R6E. The project is part of an on-going drilling program for the development of Energy West coal mining.

The overall project area is west of Huntington, Utah, situated between Mill Creek and Crandall canyons, east of Upper Joes Valley. All of the proposed drill locations are situated between 9,500 to 10,000 feet, primarily within the dense aspen and pine tree environment. Most of the drill locations are situated on relatively steep slopes, along the eastern slopes of East Mountain. The Class I indicated that at least five cultural resource inventories have been conducted since 1980, in the immediate and surrounding areas of the identified drill locations. These projects primarily consisted of drilling programs, timber sales, Class II inventories, and other smaller surveys. In addition, no known cultural resource sites have been documented within the general or immediate area of the drilling areas.

During the spring/summer of 2008, portable helicopter supported drilling rigs would be flown into the four identified drill locations to conduct the drilling. As in past years, Forest Service representatives had determined that due to the low site potential, low impacts, and steep topography of the project area, a Class III inventory would not be necessary. Energy West Company will voluntarily continue to have an archaeologist conduct Class III pedestrian inventories of the drill locations immediately prior to drilling.

Sincerely,

Scott Billat
Senior Archaeologist
EarthTouch, Inc.
801-423-1014 (direct line)
801-369-2661 (mobile)
sbillat@earthtouchinc.com



CONFIDENTIAL

February 13, 2008

Energy West Mining Company
Attn: Ken Fleck
P.O. Box 310
Huntington, Utah

Subject: Class III Inventory of Three Drill Locations for the Mill Fork 2008 Drilling Program, in the East Mountain Area, Manti-La Sal National Forest, Emery County, Utah

Introduction

On behalf of Energy West Mining Company, EarthTouch, Inc. has completed a Class III pedestrian cultural resource inventory of two exploratory drilling locations for Energy West, a subsidiary of PacifiCorp. The project area is situated along the top of the Wasatch Plateau, in the East Mountain area, on the Manti-La Sal National Forest (Figure 1). Of three drill locations, only two will be drilled in conjunction with the coal mining exploration plan areas and are part of the 2008 drilling program. The project is part of an on-going drilling program for the development of the Energy West coal mining. The proposed drill locations are situated between 9,000 to 10,000 feet, primarily within dense aspen and pine environment.

The overall project area is west of Huntington, Utah, situated between Mill Creek and Crandall canyons, east of Upper Joes Valley. The project area is along the eastern side of the Wasatch Plateau, on East Mountain, in the western portion of Emery County line. Most of the project area is roadless, with primary access from Upper Joes Valley. The three new drill locations, 2008-01 and 2008-02/2008-02A, were Class III inventoried (Figure 2). Drill location 2008-02 has an alternative identified as 02 and 02A. Only one of these Drill #2 locations will be drilled. The identified project drill locations are on lands administered by the Manti-La Sal National Forest. The project is situated on the Rilda Canyon, Utah USGS topographic 7.5 minute map.

Class I

The Class I file search, conducted in November, 2007 at the Manti-La Sal National Forest Service. The file review identified two cultural resource inventories previously conducted in the project vicinity. These projects primarily consisted of Class II inventories conducted for coal exploration. Only one previously recorded cultural resource site has been documented in the surrounding area. This site ML-3650, is a lithic scatter recorded in 1977 by AERC, and situated about half a mile from the proposed drill locations.

Inventory Results

The Class III inventory of drill locations 2008-01, 2008-02 and 2008-02A, was conducted in October of 2007. No newly identified sites or isolated artifacts were found during the inventory. Also, no previously identified sites have been recorded on or near the two drill locations. The drill locations were contained on relatively steep ridge slopes, situated in low site potential areas. Access to the project area for the inventory was from the top of East Mountain.



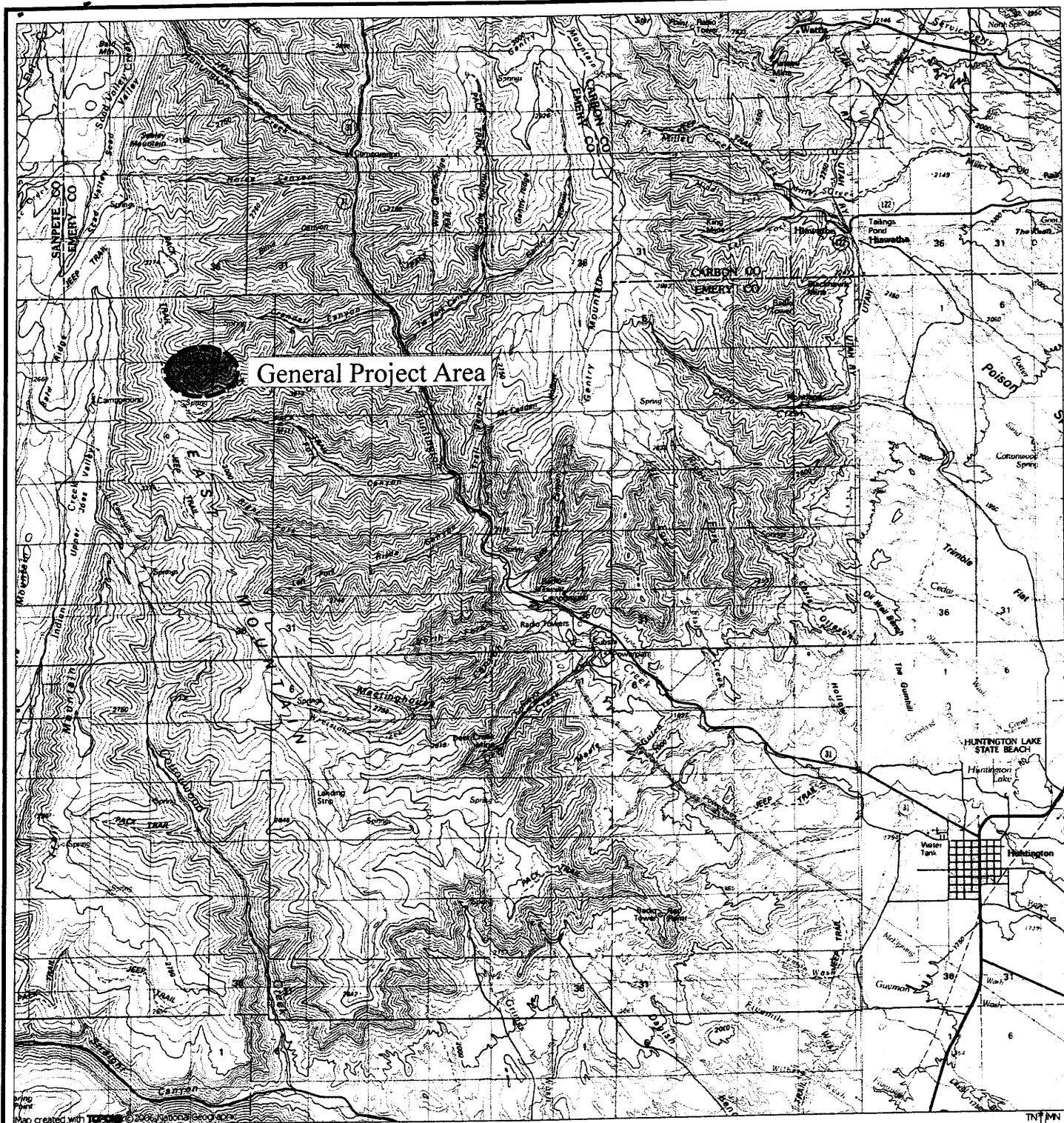
No cultural resources were found during the Class III pedestrian inventory. Therefore, Energy West has clearance to proceed with its drilling program for the identified drill locations in 2008. Initially, Forest Service representatives had determined in 2006 that due to the low site potential and steep topography in the project area a Class III inventory would be unnecessary. Energy West has chosen to have an archaeologist conduct a Class III for the drill locations prior to drilling.

Sincerely,

EarthTouch, Inc.

Senior Archaeologist
EarthTouch Inc.

Attachments: Figures 1 and 2



NATIONAL
GEOGRAPHIC

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km

12V
02/22/06



EarthTouch, Inc.
3135 North Fairfield Road
Layton, Utah 84041
Tel: 801.771.2800
Fax: 801.771.2838

Figure 1
General Project Map

**Mill Fork - 2008 Drilling
Energy West**

Figure No: 1
Appended:

Project Number:
Project Analyst: S. Billat

Date Prepared:
USGS 1:100,000



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 24, 2008

Kenneth S. Fleck, Manager of Geology and Environmental Affairs
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Letter Of Intent to Conduct Minor Exploration, PacifiCorp, Deer Creek Mine, C/015/0018,
Task ID #2944, Outgoing File

Dear Mr. Fleck:

PacifiCorp submitted an exploration plan to drill a total of eleven exploration holes within the Mill Fork Coal Lease ML-48258 in 2008. The plan is formatted to follow the applicable portions of Coal Exploration Rules R645-200 through R645-203.

The helicopter supported drilling is planned for May 15 to July 15, 2008. The Permittee anticipates completing all drilling and reclamation activities associated with this project within approximately 60 days upon implementation.

The above-referenced amendment is conditionally approved upon the permittee agreeing on the three conditions set forth below. The permittee has committed to comply with the requirements of the following Permit Conditions, as specified, and in accordance with the requirements of:

R645-200-230, Prior to conducting minor exploration, the Division must receive concurrence from U. S. Forest Service.

R645-202-232, Prior to conducting minor exploration, the applicant must receive Special Road Use Permits from the U. S. Forest Service.

R645-202-234, The applicant must show necessary proof of obtaining water rights to conduct drilling in the exploration area.

If you have any questions, please feel free to call me at (801) 538-5262 or Stephen J. Demczak at (435) 613-3732.

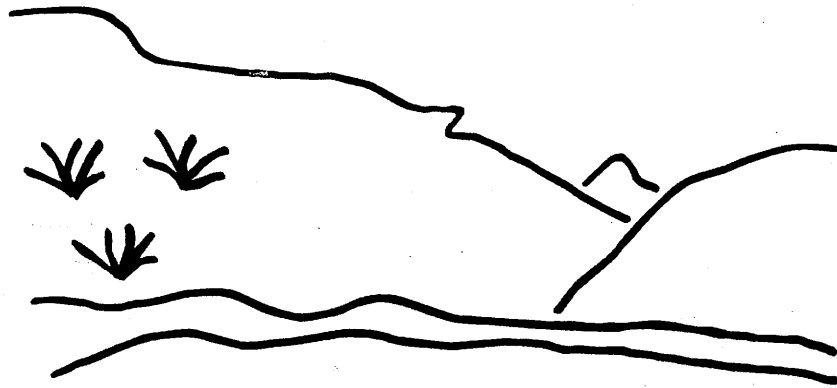
Sincerely,

James D. Smith
Permit Supervisor

An/sd
Enclosure
cc: Price Field Office
O:\015018.DER\FINAL\WG2944\AppLtr2944.doc



State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Deer Creek Mine
Notice of Intent to Conduct Minor Coal Exploration
C/015/0018
Task ID #2911
Minor Exploration Analysis and Findings
March 27, 2008

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INTRODUCTION

EXPLORATION TECHNICAL ANALYSIS

INTRODUCTION

Energy West is proposing to conduct a helicopter-assisted minor coal exploration drilling during the year 2008. The permittee has plans to core-drill two holes by using this method. The drilling will take place in Crandall Canyon. The proposed drill is located within the current Utah State Coal Lease ML-48258, and the United States Forest Service administrates the surface land. This project is to analyze seam characteristics and coal thickness.

The holes will be drilled using a helicopter-transported drill rig in accordance with the Utah State Coal Lease ML-48258 application for the Notice of Intention of Conduct Minor Coal Exploration. Less than 250 tons of coal will be removed. The permittee has recently conducted minor exploration using this method at Mill Fork Canyon and adjacent areas.

The Division received a conditional approval from School and Institutional Trust Lands Administration on November 29, 2007 and US Forest Service with this proposed notice of intent to conduct minor coal exploration on coal lease ML-48258.

The minor exploration project is scheduled to start on May 15, 2008 and be completed by July 15, 2008.

SUMMARY OF OUTSTANDING DEFICIENCIES

SUMMARY OF OUTSTANDING DEFICIENCIES

The Technical Analysis regarding the proposed permit changes is not complete at this time, pending submittal of additional information by the Permittee and further review by the Division, to address outstanding deficiencies in the proposal. A summary of those outstanding deficiencies is provided below. Additional comments, concerns, and deficiencies may also be found within the analysis and finding made in the Draft Technical Analysis that have not been presented in this summary. Upon finalization of this review, any outstanding deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the Division, result in denial of the proposed permit changes, or may result in other executive or enforcement actions as deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program.

Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

SUMMARY OF PERMIT CONDITIONS

SUMMARY OF PERMIT CONDITIONS

As determined in the analysis and findings of this Technical Analysis, approval of the plan is subject to the following Permit Conditions. The applicant is subject to compliance with the following Permit Conditions and has committed to comply with the requirements of these conditions as referenced in the approved Permit.

Accordingly, the permittee has committed to comply with the requirements of the following Permit Conditions, as specified, and in accordance with the requirements of:

This Applicant has met the minimum requirements of the Notice of Intent to conduct minor exploration on state lease ML-48258. However, there are two conditions attached to the TA as follows:

R645-200-230, Prior to conducting minor exploration, the Division must receive concurrence from U. S. Forest Service.

R645-202-232, Prior to conducting minor exploration, the applicant must receive Special Road Use Permits from the U. S. Forest Service.

R645-202-234, The applicant must show necessary proof of obtaining water rights to conduct drilling in the exploration area.

This Notice of Intent is recommended for approval with the above conditions attached and deficiencies are met.

COAL EXPLORATION

COAL EXPLORATION

Regulatory Reference: R645-200.

SCOPE AND RESPONSIBILITIES

Regulatory Reference: 30 CFR 772.1; 30 CFR 772.10; 30 CFR 772.11; R645-100-400; R645-200-100; R645-200-200; R645-201-100.

Analysis:

PacifiCorp has proposed to conduct minor exploration by drilling two holes within the Mill Fork Coal Lease ML-48258 in the year 2008.

The permittee has committed to comply with the requirements of R645-200 through R645-203.

This minor coal exploration will be conducted on Utah State Coal Lease ML-48258 and the United States Forest Service administers the surface land; therefore, 43 CFR Part 3480-3487 does not apply.

Archeology

Analysis:

Page 8 of the application references a Class I literature search and a Class III ground survey of the proposed exploration sites. A Class I literature search and a Class III ground survey of the proposed exploration sites have been completed by Earth Touch Inc. and submitted to the Division as part of the application. The ground survey indicated that there were no cultural resources identified and therefore none listed as eligible in the area proposed for the drilling activities. SHPO concurrence for the exploration project was received by the Division by "E" mail correspondence on March 4, 2008.

Findings:

The information is adequate to meet the requirements of this section of the regulations.

REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: 30 CFR 772.10; 30 CFR 772.11; R645-100-412; R645-201-200.

COMPLIANCE DUTIES

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

Analysis:

The permittee stated to have a copy of the Notice of Intent to Conduct Minor Coal Exploration for review by an authorized representative of the Division upon request.

Findings:

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100.

Analysis:

R645-202-200; Energy West Mining will not substantially disturb the land surface and will remove less than 250 tons of coal.

PacifiCorp has committed to comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan.

Biology

R645-202-200, Page 9 of the application includes a description of the vegetation in the canyon bottoms, south and north slopes. A reference to Volume 12, Biology Chapter, pages 3-1 through 3-5 describes the vegetative communities within the proposed drill site locations and a map, MFS1821D, depicting the vegetative communities.

Page 10 of the application refers the reviewer to Volume 12, Biology, for all information concerning T&E species. An evaluation of the sensitive plant species within the Mill Fork Lease area is provided for on pages 3-3 and 3-4. Page 3-5, Paragraph 2 includes a reference to personal communication with Bob Thompson, Biologist for the Manti La-Sal National Forest. According to Mr. Thompson there are no T&E plant species within the Mill Fork lease area. Volume 12, Biology, Chapter, page 3-9, Paragraph 2 includes a reference to "*Environmental Assessment reports*", for the T&E animal species. The report is an Environmental Assessment, (EA), prepared by the Manti-La Sal National Forest personnel for the Mill Fork Lease by Application,

COMPLIANCE DUTIES

Hydrologic Balance

The minor exploration project will have minor surface disturbance. The disturbance is limited to leveling the rig and associated structures. There will be no construction of a drill pad or impoundments; therefore, the impact on the hydrologic balance will be minimal, if any.

Acid- or toxic forming materials

The applicant has committed to handle and dispose of acid or toxic forming materials in accordance with R645-301-731.100 and R645-301-731.300.

During the drilling operation, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other material will be captured in a container at the drill site. The cutting material will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek or Cottonwood Waste Rock Sites for disposal.

If spills occur, all affected material will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean up, the site of removal will be reconstructed and seeded with the approved seed mixture.

Findings:

The information provided does not meet the requirements of this section of the regulations, prior to approval the following information.

RECLAMATION STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-200.

Analysis:

Approximate original contour

The drill site areas will be basically flat with no major excavation occurring. Minor shoveling may be needed for leveling the drill rig. The area will be at approximate original contour.

R645-202-200, Page 9 of the application includes a description of the vegetation in the canyon bottoms, south and north slopes. A reference to Volume 12, Biology Chapter, pages 3-1 through 3-5 describes the vegetative communities within the proposed drill site locations and a

COMPLIANCE DUTIES

Findings:

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

PUBLIC AVAILABILITY OF INFORMATION

Regulatory Reference: 30 CFR 772.15;R645-203.

Analysis:

All information submitted to the Division under R645-200 will be made available for public inspection except as provided in R645-203-200.

Findings:

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

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Authorization ID: PRI110
Contact ID: ENERGY WEST
Expiration Date: 12/31/2009
Use Code: 561

FS-2700-4 (03/06)
OMB 0596-0082

**U.S. DEPARTMENT OF AGRICULTURE
Forest Service
SPECIAL USE PERMIT
AUTHORITY:
ORGANIC ADMINISTRATION ACT June 4, 1897**

PACIFICORP - ENERGY WEST MINING of P.O. BOX 310, , HUNTINGTON, UT 84528 (hereinafter called the Holder) is hereby authorized to use or occupy National Forest System lands, to use subject to the conditions set out below, on the Manti - La Sal National Forest or n/a unit of the National Forest System.

This permit covers .18 acres, and/or 0 miles and is described as: , , as shown on the location map attached to and made a part of this permit in Attachment 1, and is issued for the purpose of:

Helicopter assisted drilling exploration to gather geologic/hydrologic data on the Mill Fork area of the Utah State Coal Lease ML-48258. The drilling activity will consist of 6 core holes. Proposed drill hole locations are shown on the attached map (Attachment 1). Each drill hole will temporarily occupy a 40' x 40' area of use or approximately 0.03 acres per hole for a total of 0.18 acres. No site construction is necessary. Drill areas are protected by an impervious barrier and site restoration is conducted if necessary.

Operations under this permit will be conducted and accepted as per Conditions of Approval as attached to and made a part of this permit in Attachment 2.

The above described or defined area shall be referred to herein as the "permit area".

TERMS AND CONDITIONS

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

A. Authority. This permit is issued pursuant to the authorities enumerated at Title 36, Code of Federal Regulations, Section 251 Subpart B, as amended. This permit, and the activities or use authorized, shall be subject to the terms and conditions of the Secretary's regulations and any subsequent amendment to them.

B. Authorized Officer. The authorized officer is the Forest Supervisor or a delegated subordinate officer.

C. License. This permit is a license for the use of federally owned land and does not grant any permanent, possessory interest in real property, nor shall this permit constitute a contract for purposes of the Contract Disputes Act of 1978 (41 U.S.C. 611). Loss of the privileges granted by this permit by revocation, termination, or suspension is not compensable to the holder.

D. Amendment. This permit may be amended in whole or in part by the Forest Service when, at the discretion of the authorized officer, such action is deemed necessary or desirable to incorporate new terms, conditions, and stipulations as may be required by law, regulation, land management plans, or other management decisions.

E. Existing Rights. This permit is subject to all valid rights and claims of third parties. The United States is not liable to the holder for the exercise of any such right or claim.

F. Nonexclusive Use and Public Access. Unless expressly provided for in additional terms, use of the permit area is not exclusive. The Forest Service reserves the right to use or allow others to use any part of the permit area, including roads, for any purpose, provided, such use does not materially interfere with the holder's authorized use. A final determination of conflicting uses is reserved to the Forest Service.

G. Forest Service Right of Entry and Inspection. The Forest Service has the right of unrestricted access of the permitted area or facility to ensure compliance with laws, regulations, and ordinances and the terms and conditions of this permit.

H. Assignability. This permit is not assignable or transferable. If the holder through death, voluntary sale or transfer, enforcement of contract, foreclosure, or other valid legal proceeding ceases to be the owner of the improvements, this permit shall terminate.

I. Permit Limitations. Nothing in this permit allows or implies permission to build or maintain any structure or facility, or to conduct any activity unless specifically provided for in this permit. Any use not specifically identified in this permit must be approved by the authorized officer in the form of a new permit or permit amendment.

II. TENURE AND ISSUANCE OF A NEW PERMIT

A. Expiration at the End of the Authorized Period. This permit will expire at midnight on **12/31/2009**. Expiration shall occur by operation of law and shall not require notice, any decision document, or any environmental analysis or other documentation.

B. Minimum Use or Occupancy of the Permit Area. Use or occupancy of the permit area shall be exercised at least 90 days each year, unless otherwise authorized in writing under additional terms of this permit.

C. Notification to Authorized Officer. If the holder desires issuance of a new permit after expiration, the holder shall notify the authorized officer in writing not less than six (6) months prior to the expiration date of this permit.

D. Conditions for Issuance of a New Permit. At the expiration or termination of an existing permit, a new permit may be issued to the holder of the previous permit or to a new holder subject to the following conditions:

1. The authorized use is compatible with the land use allocation in the Forest Land and Resource Management Plan.
2. The permit area is being used for the purposes previously authorized.
3. The permit area is being operated and maintained in accordance with the provisions of the permit.
4. The holder has shown previous good faith compliance with the terms and conditions of all prior or other existing permits, and has not engaged in any activity or transaction contrary to Federal contracts, permits laws, or regulations.

E. Discretion of Forest Service. Notwithstanding any provisions of any prior or other permit, the authorized officer may prescribe new terms, conditions, and stipulations when a new permit is issued. The decision whether to issue a new permit to a holder or successor in interest is at the absolute discretion of the Forest Service.

F. Construction. Any construction authorized by this permit may commence by n/a and shall be completed by n/a. If construction is not completed within the prescribed time, this permit may be revoked or suspended.

III. RESPONSIBILITIES OF THE HOLDER

A. Compliance with Laws, Regulations, and other Legal Requirements. The holder shall comply with all applicable Federal, State, and local laws, regulations, and standards, including but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq., and other relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, construction, operation, and maintenance of any facility, improvement, or equipment on the property.

B. Plans. Plans for development, layout, construction, reconstruction, or alteration of improvements on the permit area, as well as revisions of such plans, must be prepared by a qualified individual acceptable to the authorized officer and shall be approved in writing prior to commencement of work. The holder may be required to furnish as-built plans, maps, or surveys, or other similar information, upon completion of construction.

C. Maintenance. The holder shall maintain the improvements and permit area to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the authorized officer and consistent with other provisions of this authorization. If requested, the holder shall comply with inspection requirements deemed appropriate by the authorized officer.

D. Hazard Analysis. The holder has a continuing responsibility to identify all hazardous conditions on the permit area which would affect the improvements, resources, or pose a risk of injury to individuals. Any non-emergency actions to abate such hazards shall be performed after consultation with the authorized officer. In emergency situations, the holder shall notify the authorized officer of its actions as soon as possible, but not more than 48 hours, after such actions have been taken.

E. Change of Address. The holder shall immediately notify the authorized officer of a change in address.

F. Change in Ownership. This permit is not assignable and terminates upon change of ownership of the improvements or control of the business entity. The holder shall immediately notify the authorized officer when a change in ownership or control of business entity is pending. Notification by the present holder and potential owner shall be executed using Form SF-299 Application for Transportation and Utility Systems and Facilities of Federal Lands, or Form FS-2700-3a, Holder Initiated Revocation of Existing Authorization, Request for a Special Use Permit. Upon receipt of the proper documentation, the authorized officer may issue a permit to the party who acquires ownership of, or a controlling interest in, the improvements or business entity.

IV. LIABILITY

For purposes of this section, "holder" includes the holder's heirs, assigns, agents, employees, and contractors.

A. The holder assumes all risk of loss to the authorized improvements.

B. The holder shall indemnify, defend, and hold the United States harmless for any violations incurred under any such laws and regulations or for judgments, claims, or demands assessed against the United States in connection with the holder's use or occupancy of the property. The holder's indemnification of the United States shall include any loss by personal injury, loss of life or damage to property in connection with the occupancy or use of the property during the term of this permit. Indemnification shall include, but is not limited to, the value of resources damaged or destroyed; the costs of restoration, cleanup, or other mitigation; fire suppression or other types of abatement costs; third party claims and judgments; and all administrative, interest, and other

legal costs. This paragraph shall survive the termination or revocation of this authorization, regardless of cause.

C. The holder has an affirmative duty to protect from damage the land, property, and interests of the United States.

D. In the event of any breach of the conditions of this authorization by the holder, the authorized officer may, on reasonable notice, cure the breach for the account at the expense of the holder. If the Forest Service at any time pays any sum of money or does any act which will require payment of money, or incurs any expense, including reasonable attorney's fees, in instituting, prosecuting, and/or defending any action or proceeding to enforce the United States rights hereunder, the sum or sums so paid by the United States, with all interests, costs and damages shall, at the election of the Forest Service, be deemed to be additional fees hereunder and shall be due from the holder to the Forest Service on the first day of the month following such election.

E. With respect to roads, the holder shall be proportionally liable for damages to all roads and trails of the United States open to public use caused by the holder's use to the same extent as provided above, except that liability shall not include reasonable and ordinary wear and tear.

F. The Forest Service has no duty to inspect the permit area or to warn of hazards and, if the Forest Service does inspect the permit area, it shall incur no additional duty nor liability for identified or non-identified hazards. This covenant may be enforced by the United States in a court of competent jurisdiction.

V. TERMINATION, REVOCATION, AND SUSPENSION

A. General. For purposes of this permit, "termination", "revocation", and "suspension" refer to the cessation of uses and privileges under the permit.

"Termination" refers to the cessation of the permit under its own terms without the necessity for any decision or action by the authorized officer. Termination occurs automatically when, by the terms of the permit, a fixed or agreed upon condition, event, or time occurs. For example, the permit terminates at expiration. Terminations are not appealable.

"Revocation" refers to an action by the authorized officer to end the permit because of noncompliance with any of the prescribed terms, or for reasons in the public interest. Revocations are appealable.

"Suspension" refers to a revocation which is temporary and the privileges may be restored upon the occurrence of prescribed actions or conditions. Suspensions are appealable.

B. Revocation or Suspension. The Forest Service may suspend or revoke this permit in whole or part for:

1. Noncompliance with Federal, State, or local laws and regulations.
2. Noncompliance with the terms and conditions of this permit.
3. Reasons in the public interest.
4. Abandonment or other failure of the holder to otherwise exercise the privileges granted.

C. Opportunity to Take Corrective Action. Prior to revocation or suspension for cause pursuant to Section V (B), the authorized officer shall give the holder written notice of the grounds for each action and a reasonable time, not to exceed 90 days, to complete the corrective action prescribed by the authorized officer.

D. Removal of Improvements. Prior to abandonment of the improvements or within a reasonable time following revocation or termination of this authorization, the holder shall prepare, for approval by the authorized officer, an abandonment plan for the permit area. The abandonment plan shall address removal of improvements and restoration of the permit area and prescribed time frames for these actions. If the holder fails to remove the improvements or restore the site within the prescribed time period, they become the property of the United States and may be sold, destroyed or otherwise disposed of without any liability to the United States. However, the holder shall remain liable for all cost associated with their removal, including costs of sale and impoundment, cleanup, and restoration of the site.

VI. FEES

A. Termination for Nonpayment. This permit shall automatically terminate without the necessity of prior notice when land use rental fees are 90 calendar days from the due date in arrears.

B. The holder shall pay an annual fee of forty-five Dollars **\$45.00** for the period from June 18, 2008 to December 31, 2008 and thereafter annually on January 1, forty-five Dollars \$ 45.00 : Provided, charges for this use shall be made or readjusted whenever necessary to place the charges on a basis commensurate with the fair market value of the authorized use.

C. Payment Due Date. The payment due date shall be the close of business on **January 1** of each calendar year payment is due. Payments in the form of a check, draft, or money order are payable to USDA, Forest Service. Payments shall be credited on the date received by the designated Forest Service collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

D. Late Payment Interest, Administrative Costs and Penalties Pursuant to 31 U.S.C. 3717, et seq., interest shall be charged on any fee amount not paid within 30 days from the date the fee or fee calculation financial statement specified in this authorization becomes due. The rate of interest assessed shall be the higher of the rate of the current value of funds to the U.S. Treasury (i.e., Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly or at the Prompt Payment Act rate. Interest on the principal shall accrue from the date the fee or fee calculation financial statement is due.

In the event the account becomes delinquent, administrative costs to cover processing and handling of the delinquency will be assessed.

A penalty of 6 percent per annum shall be assessed on the total amount delinquent in excess of 90 days and shall accrue from the same date on which interest charges begin to accrue.

Payments will be credited on the date received by the designated collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

Disputed fees are due and payable by the due date. No appeal of fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments, if necessary, will be made in accordance with settlement terms or the appeal decision.

If the fees become delinquent, the Forest Service will:

Liquidate any security or collateral provided by the authorization.

If no security or collateral is provided, the authorization will terminate and the holder will be responsible for delinquent fees as well as any other costs of restoring the site to its original condition including hazardous waste cleanup.

Upon termination or revocation of the authorization, delinquent fees and other charges associated with the authorization will be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 *et seq.* Delinquencies may be subject to any or all of the following conditions:

Administrative offset of payments due the holder from the Forest Service.

Delinquencies in excess of 60 days shall be referred to United States Department of Treasury for appropriate collection action as provided by 31 U.S.C. 3711 (g), (1).

The Secretary of the Treasury may offset an amount due the debtor for any delinquency as provided by 31 U.S.C. 3720, *et seq.*)

VII. OTHER PROVISIONS

A. Members of Congress. No Member of or Delegate to Congress or Resident Commissioner shall benefit from this permit either directly or indirectly, except when the authorized use provides a general benefit to a corporation.

B. Appeals and Remedies. Any discretionary decisions or determinations by the authorized officer are subject to the appeal regulations at 36 CFR 251, Subpart C, or revisions thereto.

C. Superior Clauses. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the preceding printed clauses shall control.

D. Surveys, Land Corners (D4). The holder shall protect, in place, all public land survey monuments, private property corners, and Forest boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of the privileges permitted by this authorization, depending on the type of monument destroyed, the holder shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States," (2) the specifications of the county surveyor, or (3) the specifications of the Forest Service.

Further, the holder shall cause such official survey records as are affected to be amended as provided by law. Nothing in this clause shall relieve the holder's liability for the willful destruction or modification of any Government survey marker as provided at 18 U.S.C. 1858.

E. Revegetation of Ground Cover and Surface Restoration (D9). The holder shall be responsible for prevention and control of soil erosion and gully on lands covered by this authorization and adjacent thereto, resulting from construction, operation, maintenance, and termination of the authorized use. The holder shall so construct permitted improvements to avoid the accumulation of excessive heads of water and to avoid encroachment on streams. The holder shall revegetate or otherwise stabilize all ground where the soil has been exposed as a result of the holder's construction, maintenance, operation, or termination of the authorized use and shall construct and maintain necessary preventive measures to supplement the vegetation.

F. Fire Equipment (F7). The holder shall install fire extinguishers and firefighting apparatus of types, of capacities, in numbers, and at locations approved by the authorized officer. This equipment shall be in readiness at all times for immediate use, and shall be tested each year, at such times as may be required by the authorized officer.

G. Fire-Control Plan (F20). The holder shall prepare a fire plan for approval by the authorized officer which shall set forth in detail the plan for prevention, reporting, control, and extinguishing of fires on the authorized areas and within the holder's area of responsibility defined on an attached map. Such plans shall be reviewed and revised at intervals of not more than three (3) years.

H. Protection of Habitat of Endangered, Threatened, and Sensitive Species (X8). Location of areas needing special measures for protection of plants or animals listed as threatened or endangered under the Endangered Species Act of 1973, as amended, or as sensitive by the Regional Forester under authority of FSM 2670, derived from ESA Section 7 consultation, may be shown on a separate map, hereby made a part of this authorization, or identified on the ground. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the authorization holder.

If protection measures prove inadequate, if other such areas are discovered, or if new species are listed as Federally threatened or endangered or as sensitive by the Regional Forester, the authorized officer may specify additional protection regardless of when such facts become known. Discovery of such areas by either party shall be promptly reported to the other party.

I. Archaeological-Paleontological Discoveries (X17). The holder shall immediately notify the authorized officer of any and all antiquities or other objects of historic or scientific interest. These include, but are not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as the result of operations under this authorization, and shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

J. Advise Authorized Officer (X88). Before actively initiating work under this authorization, the holder or holder's representative shall advise the authorized officer of the date upon which active field work will be initiated. Approval for the work shall be issued in writing by the authorized officer. The approval shall list local restrictions pertaining to fire hazard, off-road vehicles, camp locations, etc.

This permit is accepted subject to the conditions set out above.

Date JUNE 18, 2008 *CORPORATE NAME
ENERGY WEST MINING COMPANY, SUBSIDIARY OF PACIFICORP
(CORPORATE SEAL)

By: Kenneth S. Fleck
~~(Vice) President~~
GEOLOGY & ENVIRONMENTAL AFFAIRS MANAGER
ATTEST: _____

(Assistant) Secretary

The following certificate shall be executed by the Secretary or Assistant Secretary of the Corporation:

I _____ certify that I am the _____ Secretary of the Corporation that executed the above permit; that _____ who signed said permit on behalf of said Corporation was then _____ of said Corporation; that I know his/her signature on said permit is genuine; and that said permit was duly signed, sealed, and attested to for and on behalf of said Corporation by authority of its governing body

(CORPORATE SEAL)

(Assistant Secretary)

U. S. DEPARTMENT OF AGRICULTURE

Forest Service

By: _____

(Authorized Officer Signature)

Mesia Nyman
(Mesia Nyman - District Ranger)

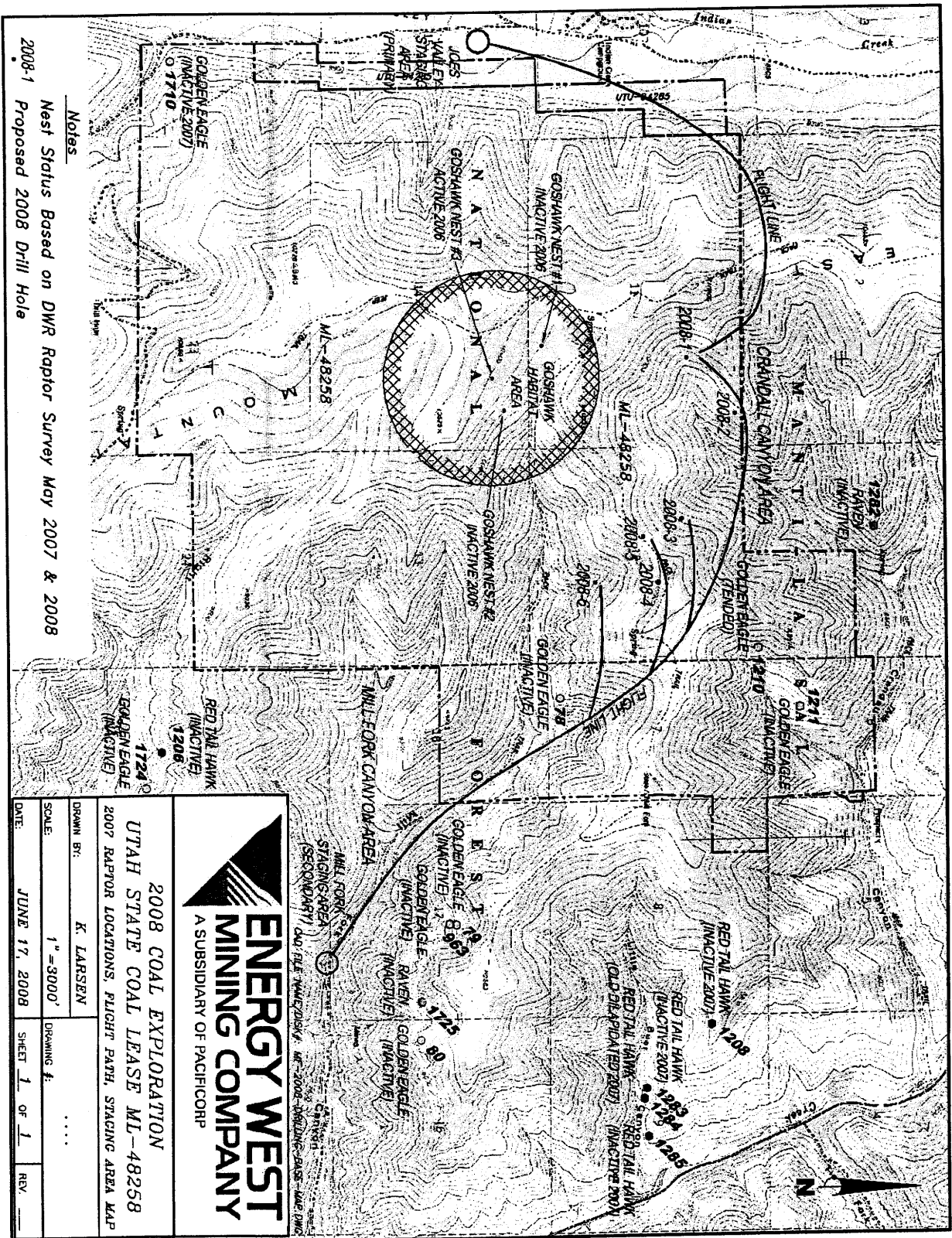
6/18/08
(Date)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Attachment 1
Map of Operations



Attachment 2

Conditions of Approval

Conditions of Approval

**PacificCorp-Energy West Mining Company
Upper Joes Valley/Crandall Canyon 2008
Helicopter Assisted Drilling Program
Utah State Coal Lease ML-48258**

1. A pre-work meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project location prior to commencement of operations. Site-specific Forest Service requirements will be discussed at this time.
2. A Road Use Permit must be obtained from the Forest Service before equipment is transported onto National Forest System lands.
3. All surface disturbing activities including reclamation must be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site and presented upon demand to any Forest Service Official.
4. The Forest must be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. The Forest Service must be notified of any proposed alterations to the plan of operations. Any changes to the existing plan are subject to Forest Service review and approval.
6. Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
7. All gasoline, diesel, and steam-powered equipment must be equipped with effective spark arrestors or mufflers. Spark arresters must meet Forest Service specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrestor Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.
8. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.

9. Operations are subject to Forest Service fire restrictions and the Forest Service reserves the right to suspend operations during periods of high fire potential.
10. Water needed in support of operations must be properly and legally obtained according to Utah State water laws. The location of diversions, if on National Forest System lands, are subject to Forest Service review and approval. The operator shall assure that continuous stream and spring flow is maintained below take out points at each source of water to minimize impact to wildlife and livestock. The operator shall avoid any active stream, spring, and surrounding wet area with their drilling activities, other than the diversion of needed water for drilling operations.
11. Unauthorized off-road vehicular travel is prohibited.
12. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.
13. If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Forest Service must be notified of the discovery.
14. The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.
15. Operations must be coordinated with grazing permittees to prevent conflicts. Range permittees must be notified of operations at least one week prior to starting drilling operations.
16. Harrassment of wildlife and livestock is prohibited. Areas of elk calving (nurseries) shall be avoided with adjustments in flight lines. "PARTURATION"
17. An acceptable spill containment/spill removal contingency plan must be submitted to the Forest Service prior to commencement of operations. MSDS sheets required on site for fuel, oils, and drilling additives.
18. All drilling fluids, mud and cuttings must be contained on the project site in portable containers and removed to an approved site as part of reclamation. No fluids will be discharged or dumped into streams or onto the ground.

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19. During the drilling operations all trash, garbage and other refuse must be properly contained on the project site prior to disposal at authorized sites.
20. All significant water encountered during drilling must be reported to the Forest Service, including the depth and formation at which it was encountered, and an estimate of the flow.
21. If any of the drill holes encounter artesian groundwater flow, the District Ranger must be notified prior to plugging the hole to determine whether or not the Forest Service would elect to establish a permanent water development at the site.
22. All drill holes must be plugged in accordance with Federal and State regulations.
23. The operator must remove all drilling equipment, trash, garbage, flagging, vehicles and other materials from National Forest System lands as part of reclamation. Oil and fuel contaminated materials including contaminated soils and gravel must be removed and transported to approved location.
24. Drill rigs and heavy equipment (not including water trucks) must not be transported over National Forest System roads during the opening weekend of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends (Friday through Monday for Federal Holiday weekends and Friday through Sunday for the opening weekends of the hunts).
25. Drill Sites must be reclaimed upon hole completion scarification and reseeding. Exceptions require Forest Service approval.
26. Seeding will be done with the following certified seed mix:

<u>Basic Mix:</u>		<u>lbs./acre</u>
Mountain Brone (Bromus carinatus)		3.0
Slender wheatgrass (Elymus trachycaulus)		3.0
Sandbergs Blue Grass		1.0
Columbia Needle Grass		1.0
Blue Wild Rye (Elymus Glenus)		1.0
Pacific aster (Aster chilensis)		0.2
<u>Total</u>		9.2

The certified weed-free seed mixture must be 99 percent pure live seed containing a maximum of 1% weeds none of which are noxious.

27. The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation. Vehicles and drilling equipment are to be cleaned prior to entering National Forest System lands.
28. No activities or helicopter flights shall be conducted within ½ mile goshawk buffer and timing restriction must be adhered to (Attachment 1).
29. Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture.

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Service Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

to: Forest Supervisor

at: Manti-La Sal National Forest
599 West Price River Drive,
Price, Utah 84501

Telephone No. (435) 636-3500

who is the authorized representative of the Secretary of Agriculture.



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 7730/2820-4

Date: June 23, 2008

Ken Fleck
Geology and Environmental Affairs Manager
PacifiCorp, c/o Energy West Mining Company
P.O. Box 310
Huntington, UT 84528

Dear Mr. Fleck:

Enclosed is a fully executed original copy of Road Use Permit (RUP) #0410-03-48 authorizing commercial use of the National Forest System Roads, #'s 50245, 50248, 50040 and 50017 in conjunction with the helicopter assisted coal exploration work on the Mill Fork Coal Tract within the National Forest.

Please note the RUP assigns recurrent maintenance responsibilities to Energy West Mining Company as described in Appendix C attached to the permit. Permitted use is restricted to normal dry season July 1 to October 1. If permitted use is necessary beyond October 1, use shall be restricted to the road surface being in a dry or frozen condition. Recurrent maintenance includes dust abatement measures with water or application of magnesium chloride.

If you have questions relating to the RUP please contact Don Wilcox at 435 636-3546.

Sincerely,

ROD PLAYER
Acting Forest Supervisor

cc: Mesia Nyman



U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

ROAD USE PERMIT
#0410-03-48
AUTHORITY:

Section 4 and Section 6 of the National Forest Roads and Trails Act
16 U.S.C. 535 and 537

Ken Fleck
Geology and Environmental Affairs Manager
435-687-4712

PacifiCorp
c/o Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

(the holder), is hereby granted use of the following roads or road segments and related transportation facilities (hereinafter "roads") on the Ferron/Price District Ranger, Manti-LaSal National Forest, for commercial hauling, subject to the terms and conditions of this permit:

- NFSR # 50245 (Mill Fork Canyon) from intersection of State Hwy 31 at MP 0.0 to Trail # 391 trailhead, MP 2.1, a distance of approximately 2.1 miles,
- NFSR # 50248 (Crandall Canyon) from intersection of State Hwy 31 at MP 0.0, to Trail # 390 trailhead, MP 1.4, a distance of approximately 1.4 miles,
- NFSR # 50040 (Cottonwood Canyon) from the end of the county road (end of pavement), MP 3.1, to the intersection with NFSR # 50017 at MP 11.6 a distance of approximately 8.5 miles,
- NFSR # 50017 (Indian Creek) from intersection of NFSR # 50040 to MP 2.0 located in the northwest quarter of section 10, T. 16 S., R. 6 E., a distance of approximately 2.0 miles,

for the purpose of helicopter assisted coal exploration work on the Mill Fork Coal Tract within the National Forest.

Total permitted miles on National Forest System Roads: 14.0

Holder shall submit payment for deferred and recurring maintenance as prescribed below and shall perform recurring maintenance as prescribed below.

APPENDICES

- A – Annual Operating Plan
- B – Commensurate Share Calculation
- C – Maintenance Requirements

TERMS AND CONDITIONS

I. GENERAL TERMS

A. AUTHORITY. This permit is issued pursuant to the National Forest Roads and Trails Act, 16 U.S.C. 535 and 537, and 36 CFR Part 212, Subpart A, as amended, and is subject to their provisions.

B. RESPONSIBLE OFFICIAL. The responsible official is the Ferron/Price District Ranger, 115 West Canyon Road, P.O. Box 310, Ferron Utah, 84523, telephone no. 435-384-2372 or a subordinate officer with delegated authority.

C. **TERM**. This permit shall expire at midnight on October 1, 2012. Expiration of this permit shall not require notice, a decision document, or any environmental analysis or other documentation.

D. **RENEWAL**. This permit is not renewable. Prior to expiration of this permit, the holder may apply for a new permit that would renew the use authorized by this permit. Renewal of the use shall be at the sole discretion of the responsible official.

E. **AMENDMENT**. This permit may be amended in whole or in part by the Forest Service when, at the discretion of the responsible official, this action is deemed necessary or desirable to incorporate new terms that may be required by law, regulation, directive, the applicable land management plan, or projects and activities implementing a land management plan pursuant to 36 CFR part 215.

F. **COMPLIANCE WITH LAWS, REGULATIONS, AND OTHER LEGAL REQUIREMENTS**. In exercising the rights and privileges granted by this permit, the holder shall comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements, including state traffic laws, that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

G. **NON-EXCLUSIVE USE**. The use authorized by this permit is not exclusive. The Forest Service reserves the right to use the roads authorized by this permit and to allow others to use them at any time. The holder shall use the roads authorized by this permit in a manner that will not unreasonably or unnecessarily interfere with their use by others, including the Forest Service. Except for any restrictions that the holder and the Forest Service agree are necessary to protect public safety and road investments, the roads authorized by this permit shall remain open to the public for all lawful purposes.

H. **ASSIGNABILITY**. This permit is not assignable or transferable.

II. OPERATIONS

A. **ANNUAL OPERATING PLAN**. The holder shall prepare and annually revise by May 1 an operating plan. The annual operating plan shall be prepared in consultation with the responsible official or the responsible official's designated representative and shall cover all operations authorized by this permit. At a minimum, the annual operating plan shall specify the date the use authorized by this permit will commence, the duration and extent of the use, the products that will be hauled, a traffic control plan per clause II.D, the names of the holder's employees, contractors, and subcontractors who will use the roads authorized by this permit on behalf of the holder, and any other information regarding the authorized use deemed necessary by the responsible official. The annual operating plan shall be submitted by the holder and approved by the responsible official or the responsible official's designated representative prior to commencement of commercial hauling under this permit and shall be attached to this permit as Appendix A. If there is any material change in the information contained in the annual operating plan, the holder shall notify the responsible official promptly in writing of the change.

B. **HOLDER'S REPRESENTATIVE**. The holder shall designate a representative for purposes of administration of this permit and shall notify the responsible official in writing who the holder's representative will be.

C. **USE RECORDS**. Annually, during periods the holder is conducting commercial hauling on the roads covered by this permit, the holder shall provide scale or other records acceptable to the responsible official that document the quantity hauled, calculated in the unit of measure (e.g., thousands of board feet, tons, cubic yards, or vehicle units) used to determine payments in lieu of performance under clause III.D or the holder's investment share under section V.

D. **PUBLIC SAFETY**. When the holder is engaged in commercial hauling adjacent to or on National Forest System roads or National Forest System trails open to public travel, the holder shall provide users with adequate warning of hazardous conditions associated with the holder's operations. A traffic control plan for each commercial hauling project shall be approved by the responsible official in writing before commercial hauling commences. Warning devices shall be appropriate for current conditions and shall be covered or removed when not needed. Flags and other warning devices shall comply with the Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD) and any specifications attached to this permit.

E. TRAFFIC RULES AND USE RESTRICTIONS

1. The holder and its agents, employees, and contractors shall comply with all traffic rules and use restrictions imposed by the Forest Service, including:
 - a. Road closures or use restrictions prompted by weather conditions, a fire hazard, or road construction or maintenance.
 - b. Traffic rules for safe and effective use of roads.
 - c. Regulation of the number of vehicles using a road to prevent traffic congestion.
2. Unless specified in this permit or approved in writing by the responsible official, use of motor vehicles by the holder or its agents, employees, or contractors must be in accordance with the applicable motor vehicle use map (36 CFR 261.13).
3. Temporary traffic control signs, flagging, and warning devices for road construction, operation, or maintenance conducted under this permit shall comply with Part 6 of the MUTCD.
4. The holder shall not conduct loading operations on permitted roads without advance notification and written approval of the responsible official.
5. The holder shall not operate vehicles or equipment with cleats or other tracks that will injure the road surface.
6. Heavy equipment shall not be moved on Forest System Roads on the following days:

4th of July Weekend, 24th of July Weekend, Labor Day Weekend, Columbus Day Weekend, opening weekends of general deer and elk hunts; "Weekend" includes Friday. If the holiday is on Tuesday, weekend restriction extends to include Monday and Tuesday. If the holiday is on Thursday the holiday weekend restriction extends to include Thursday and Friday. If the holiday is on Wednesday, the weekend hauling restriction extends through Wednesday, including the preceding Monday and Tuesday.

If a water truck is required during these periods, it must be preceded by a pilot vehicle when hauling water on the permitted roads.

7. Permitted use is restricted to normal dry season July 1 to October 1. If permitted use is necessary beyond October 1, use shall be restricted to the road surface being in a dry or frozen condition. Graveling segments of the road surface may be required subject to permittee's use during specific road surface conditions.
8. All vehicles and materials shall be washed free of noxious weed and/or noxious weed seed before accessing permitted roads. Material and substance used in, or transported on permitted roads shall be certified weed free.

F. REQUIREMENT TO CARRY A COPY OF THE PERMIT. Drivers of all vehicles operating under this permit shall have a copy of the first sheet of this permit in their vehicle. The copy will be presented, on request, to any Forest Service officer.

G. LOAD MARKING. Unless otherwise approved in writing by the responsible official, when hauling wood products under authority of this permit, a 6" minimum size red letter "P" shall be painted on three or more ends of logs visible from the front and on three or more ends of logs visible from the back of the load.

III. PERFORMANCE AND COST RECOVERY

A. RECONSTRUCTION REQUIRED TO ACCOMMODATE USE. The holder shall perform any road reconstruction required to accommodate the holder's use under this permit, or deposit funds sufficient to cover the cost of the reconstruction, before the holder's use commences.

B. COMMENSURATE SHARE

1. The holder shall perform maintenance, or deposit funds sufficient to cover the cost of maintenance, commensurate with the holder's use of the roads authorized by this permit (the holder's commensurate share), measured, e.g., in thousand board feet, cubic yards, or vehicle units. The holder shall be entirely responsible for maintenance that is necessitated by the holder's use, i.e., maintenance which would not be necessary if the holder's use did not occur. The holder shall be proportionately responsible with other users of the roads authorized by this permit for maintenance not necessitated by traffic, i.e., maintenance that is necessary due to natural causes such as rain, wind, rock fall, and growth of brush. Maintenance that could be required or for which payment could be required by this clause includes, at a minimum, work addressed in section IV of this permit.

2. The initial calculation of the holder's commensurate share, including the maintenance made necessary by the authorized use and the cost of the maintenance, is shown in Appendix B. The annual value of the holder's commensurate share for the use authorized by this permit is \$370 for deferred maintenance (surface replacement), provided that the rate shall be revised upward or downward on the anniversary date of this permit, based on estimated costs and anticipated use of the roads authorized under this permit. If the value of the holder's commensurate share exceeds the cost of maintenance that is performed on the roads authorized by this permit, the difference between the value of the holder's commensurate share and the cost of the maintenance performed shall be deposited in cash, as provided in clause III.D.

C. PERFORMANCE BOND FOR ROAD MAINTENANCE. As a further guarantee of the holder's commensurate share obligation, the responsible official may require the holder to furnish a surety bond or other security.

1. As a further guarantee of compliance with the holder's commensurate share obligation, the holder shall deliver and maintain a surety bond or other acceptable security, such as cash deposited and maintained in a federal depository or negotiable securities of the United States, in the amount of \$76,400. The responsible official may periodically evaluate the adequacy of the bond or other security and increase or decrease the amount as appropriate. If the bond or other security becomes unsatisfactory to the responsible official, the holder shall within 30 days of demand furnish a new bond or other security issued by a surety that is solvent and satisfactory to the responsible official. If the holder fails to meet any of the requirements secured under this clause, money deposited pursuant to this clause shall be retained by the United States to the extent necessary to satisfy the obligations secured under this clause, without prejudice to any other rights and remedies of the United States.

2. The bond shall be released or other security returned 30 days after (a) the responsible official certifies that the obligations covered by the bond or other security are met and (b) the holder establishes to the satisfaction of the responsible official that all claims for labor and material for the secured obligations have been paid or released.

D. PAYMENT IN LIEU OF PERFORMANCE. An initial payment in lieu of performance of deferred maintenance in the amount of \$370 shall be made before use commences under this permit. Thereafter, payments in lieu of performance shall be made annually in the amount of [to be re-assessed] calculated using the rate of payment for the holder's commensurate share in clause III.B. Payments shall be based on monthly use records submitted per clause II.C. Payments shall be sent to USDA Forest Service, P.O. Box 894183, Los Angeles, CA 90189-4183. In lieu of an advance payment, the holder may deliver and maintain a surety bond or other acceptable security, such as cash deposited and maintained in a federal depository or negotiable securities of the United States, in the amount of \$370. If the holder fails to meet the payment obligation secured under this clause, money deposited pursuant to this clause shall be retained by the United States to the extent necessary to satisfy the obligation, without prejudice to any other rights and remedies of the United States. The surety bond shall be released or other security returned 30 days after the responsible official certifies that the obligation covered by the bond or other security is met.

IV. REQUIREMENTS FOR CONDUCTING MAINTENANCE

A. IN GENERAL. When maintenance is performed, it shall be conducted in accordance with the following requirements and the requirements in Appendix C:

1. The holder shall perform maintenance on the roads authorized by this permit that is necessary to protect and repair the roadbed, road surface, and associated transportation facilities.
2. The holder shall resurface the roads authorized by this permit to the extent loss of surfacing is caused by the use authorized by this permit.
3. If other commercial haulers are operating on the roads authorized by this permit, the holder and those commercial haulers shall enter into an agreement for performance of maintenance on these roads. If conflicts arise regarding responsibility for the maintenance, commercial hauling on these roads shall cease until the conflicts are resolved.

B. SNOW REMOVAL. Snow removal shall be conducted in a manner that protects roads, ensures safe and efficient transportation of materials, and prevents erosion damage to roads, streams, and adjacent lands.

Snow removal must be authorized by the responsible official prior to implementation.

The holder shall:

1. Remove snow from the entire width of the road surface, including turnouts and ditch lines. Through-cuts will be allowed only after snow depths exceed the height of the cab or across flat ground. Disposal shall always be to the outside or downhill side of the road.
2. Remove snow slides, earth slides, fallen timber, and boulders that obstruct the road surface.
3. Remove snow, ice, and debris from ditches and culverts so that the drainage system will function efficiently at all times.
4. Deposit all debris, except snow and ice, removed from the road surface and ditches at locations approved by the responsible official and away from stream channels.
5. Leave at least 4 inches of snow to protect the road.
6. Restore any damage resulting from snow removal in a timely manner.
7. Ensure that snow plowing is conducted in accordance with the traffic control plan required under clause II.D.

The holder shall not:

8. Undercut constructed slopes or remove gravel or other surfacing material from the road surface.
9. Leave snow berms on the road surface. Berms on the shoulder of the road shall be removed or drainage holes shall be opened and maintained. Drainage holes shall be spaced as necessary to obtain satisfactory surface drainage without discharge on erodible fills.
Outlets - Outlets for surface runoff shall be placed in all snow through-cuts at points where water can flow off the road surface at the following intervals:

Road grades of 8% or less - 500 feet center to center minimum
Road grades greater than 8% - 300 feet center to center minimum

10. Use equipment with cleats or other tracks to plow snow without prior written approval of the responsible official.
11. Equipment - The equipment should be in sound operating condition, be equipped with angle blade or adequate grousers or traction tires, and be operated by a fully qualified operator.
12. Sanding of hazardous areas shall be with sand. Coal dust, chemicals, or salt are not to be used.

13. Cattleguards - Crawler tractors will not be operated across cattleguards.
14. Culvert Cleaning - Culvert heads and outlets shall be cleaned of snow-pack by hand.
15. Tree Damage - Snow should not be pushed, blown, or stacked on trees along the roadside. Care will be taken to avoid scarring trees with equipment.
16. The road may be used while a snow floor remains intact or under frozen conditions. All travel must cease when temperatures allow the road to thaw and rutting of the road surface is occurring. This closure will be in effect until the surface dries or refreezes.
17. Inspections: Intermittent inspections may be made during snow removal operations. Final inspection will be made to check for full compliance and damages.

V. RIGHTS AND LIABILITIES

A. LEGAL EFFECT OF THE PERMIT. This permit, which is revocable and terminable, is a federal license. This permit does not constitute a contract or lease for purposes of the Contract Disputes Act, 41 U.S.C. 601. This permit is not real property, does not convey any interest in real property, and may not be used as collateral for a loan.

B. VALID OUTSTANDING RIGHTS. This permit is subject to all valid outstanding rights.

C. ABSENCE OF THIRD-PARTY BENEFICIARY RIGHTS. The parties to this permit do not intend to confer any rights on any third party as a beneficiary under this permit.

D. RISK OF LOSS. The holder assumes all risk of loss associated with use of the roads authorized by this permit, including but not limited to theft, vandalism, fire and any fire-fighting activities (including prescribed burns), avalanches, rising waters, winds, falling limbs or trees, and acts of God.

E. DAMAGE TO UNITED STATES PROPERTY. The holder has an affirmative duty to protect from damage the land, property, and other interests of the United States. Damage includes but is not limited to fire suppression costs, damage to government improvements covered by this permit, and all costs and damages associated with or resulting from the release or threatened release of a hazardous material occurring during or as a result of activities of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees on, or related to, the lands, property, and other interests covered by this permit. For purposes of this clause, "hazardous material" shall mean any hazardous substance, pollutant, contaminant, hazardous waste, oil, and/or petroleum product, as those terms are defined under any federal, state, or local law or regulation.

1. The holder shall avoid damaging or contaminating the environment, including but not limited to the soil, vegetation (such as trees, shrubs, and grass), surface water, and groundwater, while conducting commercial hauling under this permit. If the environment or any government property covered by this permit becomes damaged during the holder's use under this permit, the holder shall immediately repair the damage or replace the damaged items to the satisfaction of the responsible official and at no expense to the United States.

2. The holder shall be liable for all injury, loss, or damage, including fire suppression, or other costs in connection with rehabilitation or restoration of natural resources associated with the use authorized by this permit. Compensation shall include but not be limited to the value of resources damaged or destroyed, the costs of restoration, cleanup, or other mitigation, fire suppression or other types of abatement costs, and all administrative, legal (including attorney's fees), and other costs. Such costs may be deducted from a performance bond required under clause III.C.

3. The holder shall be liable for damage caused by use of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees to all roads and trails of the United States to the same extent as provided under clause V.E.1.

F. HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION. The holder shall promptly abate as completely as possible and in compliance with all applicable laws and regulations any activity or condition

arising out of or relating to use of the roads authorized by this permit that causes or threatens to cause a hazard to public health or the safety of the holder's employees or agents or harm to the environment (including areas of vegetation or timber, fish or other wildlife populations, their habitats, or any other natural resources). The holder shall immediately notify the responsible official of all traffic accidents and any other serious accidents that occur in connection with the authorized use. The responsibility to protect the health and safety of all persons affected by use of the roads authorized by this permit is solely that of the holder. The Forest Service has no duty under the terms of this permit to inspect the roads authorized by this permit or authorized activities of the holder for hazardous conditions or compliance with health and safety standards.

G. COMPLIANCE WITH ENVIRONMENTAL LAWS. The holder shall in connection with use of the roads authorized by this permit comply with all applicable federal, state, and local environmental laws and regulations, including but not limited to those established pursuant to the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*, the Oil Pollution Act, as amended, 33 U.S.C. 2701 *et seq.*, the Clean Air Act, as amended, 42 U.S.C. 7401 *et seq.*, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, 42 U.S.C. 9601 *et seq.*, the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. 136 *et seq.*, and the Safe Drinking Water Act, as amended, 42 U.S.C. 300f *et seq.*

H. INDEMNIFICATION OF THE UNITED STATES. The holder shall indemnify, defend, and hold harmless the United States for any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of the holder or the holder's employees, contractors, or subcontractors in connection with use of the roads authorized by this permit. This indemnification provision includes but is not limited to acts and omissions of the holder or the holder's heirs, assigns, agents, employees, or contractors in connection with use of the roads authorized by this permit which result in (1) violations of any laws and regulations which are now or which may in the future become applicable, and including but not limited to those environmental laws listed in clause V.G. of this permit; (2) judgments, claims, demands, penalties, or fees assessed against the United States; (3) costs, expenses, and damages incurred by the United States; or (4) the release or threatened release of any solid waste, hazardous waste, hazardous substance, pollutant, contaminant, oil in any form, or petroleum product into the environment. The responsible official may prescribe terms that allow the holder to replace, repair, restore, or otherwise undertake necessary curative actions to mitigate damages in addition to or as an alternative to monetary indemnification.

I. INSURANCE

1. The holder or the holder's employees, contractors, or subcontractors shall have in force automobile insurance covering losses associated with the use authorized by this permit in at least the amount of \$100,000 for injury or death to one person, \$300,000 for injury or death to two or more persons, and \$50,000 for property damage. Minimum amounts of coverage and other insurance requirements are subject to change at the sole discretion of the responsible official on the anniversary date of this permit.

2. Any insurance policies obtained by the holder pursuant to this clause shall name the United States as an additional insured, and the additional insured provision shall provide for insurance coverage for the United States as required under clause V.I. The policies also shall specify that the insurance company shall give 30 days prior written notice to the responsible official of cancellation of or any modification to the policies.

3. The holder shall furnish proof of insurance, such as a certificate of insurance, to the responsible official prior to issuance of this permit and each year thereafter that this permit is in effect. The Forest Service reserves the right to review and approve the insurance policy prior to issuance. The holder shall send an authenticated copy of any insurance policy obtained pursuant to clause V.I. to the responsible official immediately upon issuance of the policy. The certificate of insurance, the authenticated copy of the insurance policy, and written notice of cancellation or modification of insurance should be sent to Ferron/Price Ranger District, 599 West Price River Drive, Price Utah, 84501, Attn: Elaine Alexander, telephone (435)-636-3567.

VI. REVOCATION, SUSPENSION, AND TERMINATION

A. REVOCATION AND SUSPENSION. The responsible official may revoke or suspend this permit in whole or in part for:

1. Noncompliance with federal, state, or local law.
2. Noncompliance with the terms of this permit.
3. Abandonment or other failure of the holder to exercise the privileges granted.

Prior to revocation or suspension, other than immediate suspension under clause VI.B, the responsible official shall give the holder written notice of the grounds for revocation or suspension and a reasonable time, typically not to exceed 90 days, to cure any noncompliance. Revocation or suspension of this permit shall not give rise to any claim for damages by the holder against the Forest Service.

B. IMMEDIATE SUSPENSION. The responsible official may immediately suspend this permit in whole or in part when necessary to protect public health or safety or the environment. The suspension decision shall be in writing.

C. TERMINATION. This permit shall terminate when by its terms a fixed or agreed upon condition, event, or time occurs without any action by the responsible official, such as expiration of the permit by its terms on a specified date or with the consent of the holder. Termination of this permit shall not give rise to any claim for damages by the holder against the Forest Service.

VII. MISCELLANEOUS PROVISIONS

A. MEMBERS OF CONGRESS. No member of or delegate to Congress or Resident Commissioner shall benefit from this permit either directly or indirectly, except to the extent the authorized use provides a general benefit to a corporation.

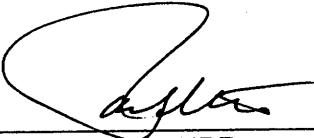
B. CURRENT ADDRESSES. The holder and the responsible official shall keep each other informed of current mailing addresses, including those necessary for payment of the holder's commensurate or investment share.

C. SUPERIOR CLAUSES. If there is a conflict between any of the preceding printed clauses and any of the following clauses, the preceding printed clauses shall control.

THIS PERMIT IS ACCEPTED SUBJECT TO ALL ITS TERMS AND CONDITIONS.

BEFORE ANY PERMIT IS ISSUED TO AN ENTITY, DOCUMENTATION MUST BE PROVIDED TO THE RESPONSIBLE OFFICIAL OF THE AUTHORITY OF THE SIGNATORY FOR THE ENTITY TO BIND IT TO THE TERMS AND CONDITIONS OF THE PERMIT.

ACCEPTED:

<i>Manager of Operations</i>		<i>5/16/08</i>
HOLDER NAME, PRECEDED BY NAME AND TITLE OF PERSON SIGNING ON BEHALF OF HOLDER, IF HOLDER IS AN ENTITY	SIGNATURE	DATE

APPROVED:

<i>Rod Player, Acting Forest Supervisor</i>	<i>Rod Player</i>	<i>6/19/2008</i>
NAME AND TITLE OF RESPONSIBLE OFFICIAL	SIGNATURE	DATE

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0016. The time required to complete this information collection is estimated to average [fill in burden hour estimate] hour per response,

including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a discrimination complaint write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 975-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

APPENDIX B Commensurate Share Calculation

Recurring Maintenance:

Holder shall perform recurring maintenance on permitted road #'s 50245, 50040 & 50017 as described in appendix C – attached.

Estimated cost of one maintenance cycle of permitted roads # 50245, 50040 & 50017:

RECURRING MAINTENANCE GRAVEL ROAD W CULVERTS Davis Bacon Wage Rates (155 horsepower grader) 2007 cost guide			
Energy West for 50245			
		<u>Gravel w/ Ditch</u>	
		cost/mile	
Scarification	Grader & Operator @ 4 hours/mile, typically use 1.3hr/mile $1.3 * (63.91 + 40.90 + 20.42 + 21.10) =$		190
Blade	Grader, Operator, Laborer and Truck @ 4 hours/mile $4 * (63.91 + 40.90 + 20.42 + 21.10) =$		585
Pull Ditches	Grader, Operator, Laborer and Truck @ 2 hours/mile $3 * (63.91 + 40.90 + 20.42 + 21.10) =$		439
Clean Culverts	laborer @ 3hrs/mile $3 * (20.42) =$		61
\$ Cost per Mile	GRAVEL ROAD W CULVERTS		\$1,276
Agg w/ ditch	miles on permit # 50245, 50040 & 50017	12.1	\$15,440
		Mobilization	\$1,390
	Total		\$16,830

Cost basis is Forest Service 2007 Cost Guide for contracted equipment & labor rates applied to the time per maintenance cycle for the project roads. Does not include costs for work described in APPENDIX C, Recurring Maintenance – items A, D, E, F and G.

Holder shall deposit funds sufficient to cover the cost of deferred maintenance and recurring maintenance on permitted roads #50245, #50040, #50017 according to the following cost valuation.

* Estimated permittee usage vs other use

(END APPENDIX B)

APPENDIX C

Maintenance Requirements

Provide maintenance as appropriate to ensure safe travel and ensure all culverts have a minimum cover depth of 12-inches. Process the fill material over culverts to provide smooth transition along existing road profile.

Recurring Maintenance:

Work in lieu of payment for recurring maintenance shall be performed as outlined below.

Road maintenance is defined as the performance of work on the entire road facility commensurate with permittee's use. This work consists of restoration and preservation of surface, shoulders, roadsides, structures, drainage, sight distance, and such traffic control devices as are necessary for prevention of excessive erosion damage to the facility and adjacent lands.

I. Description. Maintenance work to be done currently during the periods of use by the permittee shall include:

- A. Removal of slides and boulders, which obstruct safe sight distance.
- B. Adequate blading and shaping of roadway surfaces, ditches, and grade dips to maintain the original cross-sections.
- C. Removal of earth and debris from ditches and culverts so that the drainage systems will function efficiently at all times.
- D. Prevention of excessive dusting of road surface materials.
- E. Repair of damages to fences, cattleguards, culverts, and other roadway structures including traffic regulatory and directional signs.
- F. Restoration of eroded fills and repair and protection of shoulder berms, berm outlets, stabilized waterways, vegetated slopes, and other erosion control features.
- G. Replacement of roadway and/or surfacing material worn out and lost through use of the roadway.

II. Performance. All items of maintenance work shall be done currently as necessary to insure safe, efficient transportation and to protect roads, streams, and adjacent lands from excessive damage. Work shall be done in accordance with the following minimum standards of performance.

A. Removal of Material. Earth, rocks, trees, brush, and debris removed from roadways and ditches shall not be deposited in stream channels or upon slope stabilization and erosion control features.

B. During roadway blading and shaping operations, banks shall not be undercut nor shall gravel or other selected surfacing material be bladed off the roadway surface. The original crown or slope of the road shall be preserved. Mud, debris, and oversize material shall be deposited outside the roadway by hand or by careful blading, and these materials shall not be mixed with the road surfacing material.

C. Ditches, culverts, drop inlets, trash racks, downspouts, and splatter structures shall be kept clear of earth, slash, and other debris so that drainage systems will function efficiently during, and immediately following, periods of road use by permittee. This includes correcting and eliminating causes of erosion or plugging of the structure, and actual repair of the structure and riprap if damaged.

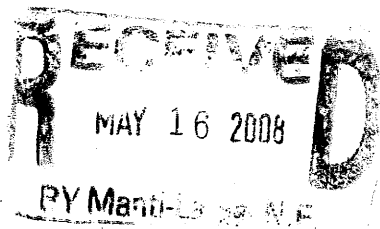
D. Fugitive dust shall be controlled to prevent hazardous driving conditions or loss of road surface or binder material.

E. Permittee shall promptly repair all damages, caused by the permittee's operations, to the road surface or to any structures in or adjacent to the roadways. To transport any overweight loads (those that exceed HS-20

loading) will require five (5) days notice prior to transporting on Forest Roads. An inspection of drainage and other structures (bridges, etc.) will be made to determine if the structure can safely accommodate the load.

F. Any washing or settling of roadway fills shall be corrected promptly to prevent additional soil erosion or roadway damage. Shoulder berms, berm outlets, and stabilized waterways shall be protected during road maintenance operations and, if damaged, such structures shall be promptly restored to their original condition, including repair and reseedling of vegetation established to control slope erosion. No earth, rocks, or other debris shall be deposited upon any roadside slope stabilization structure or feature.

(END APPENDIX C)





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

ORDER OF THE STATE ENGINEER
For Temporary Change Application Number 93-243 (t33035)

Temporary Change Application Number 93-243 (t33035) in the names of Huntington-Cleveland Irrigation Company, and Energy West Mining Company was filed on May 29, 2007, to change the point of diversion, place of use, and change the nature of use of 0.25 acre-foot of water as evidenced by Water Right Number 93-243. Heretofore, the water has been diverted from a surface source located North 1740 feet and East 160 feet from the S $\frac{1}{4}$ Corner of Section 9, T17S, R8E, SLB&M. The water has been used for the irrigation of 20,506.96 acres (sole supply of 9,000.00 acres) from March 1 to November 14, and the indoor domestic requirement of 300 equivalent domestic units, and the stockwatering requirements of 3000 head of livestock (in cattle or horses or equivalent species) from January 1 to December 31, and for steam power generation at Huntington Power Plant.

Hereafter, it is proposed to divert 0.25 acre-foot of water from a surface source located North 50 feet and East 100 feet from the SW Corner of Section 12, T16S, R6E, SLB&M. The nature of use of the water is being changed to other purposes. The water is to be used for Coal Exploration Drilling. The place of use of the water is being changed to all or portion(s) of Section 12, T16S, R6E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is, therefore, **ORDERED** and Temporary Change Application Number 93-243 (t33035) is hereby **APPROVED** subject to all prior rights and the following conditions:

- 1) No more water may be diverted during the use period than is represented by the stock in the Huntington-Cleveland Irrigation Company, or the equivalent that is approved by the Company in times of shortage.
- 2) Installation of a totalizing water meter at the expense of the applicants will be required before any water is diverted. Water meter(s) shall be available to the Huntington Creek Commissioner for examination at all reasonable times.
- 3) The water being changed shall be regulated by the Huntington Creek Commissioner at the expense of the applicants.
- 4) Continued ownership of the stock certificates, which represent the underlying right for this change application, shall be required in order to maintain this change application.

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
93-243 (t33035)
Page 2

- 5) No change of point of diversion or place of use of that water covered by this change shall be made without first obtaining the approval of the State Engineer.
- 6) The annual diversion may not exceed 0.25 acre-foot of water respectively

This temporary change application shall expire one year from the date hereof.

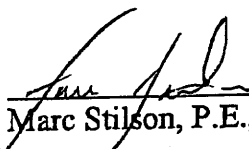
It is the applicants' responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.

The applicants are advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-637-1303.

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 30 day of May, 2007.



Marc Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 30 day of May, 2007 to:

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
93-243 (t33035)
Page 3

Huntington Cleveland Irrigation Company
P.O. Box 327
Huntington UT 84528

Energy West Mining Company
P.O. Box 310
15 North Main Street
Huntington, UT 84528

Brett Leamaster, River Commissioner
PO Box 898
18 North 400 West
Huntington, UT 84528

Stream Alteration Section
Division of Water Rights



United States Department of the Interior
FISH AND WILDLIFE SERVICE

UTAH FIELD OFFICE
2369 WEST ORTON CIRCLE, SUITE 50
WEST VALLEY CITY, UTAH 84119

In Reply Refer To

FWS/R6

ES/UT

F-0073

6-UT-08-F-012

June 18, 2008

Mr. Howard Sargent, Forest Supervisor
U.S. Forest Service
Manti-LaSal National Forest
Supervisor's Office
599 West Price River Drive
Price, Utah 84501

RE: Formal Consultation for the Proposed Energy West Coal Exploration Drilling (Mill Fork Coal Lease ML-48258), Ferron Ranger District, Manti LaSal National Forest

Dear Mr. Sargent:

We received your letter, dated March 24, 2008, requesting consultation on a net water depletion of 0.74 water from an intermittent stream and isolated spring associated with the Colorado River drainage. Water use for the proposed project would be obtained through a temporary change of water use of an existing water right. As you are aware, water depletions from the Upper Colorado River Basin are likely to adversely affect the federally endangered Colorado pikeminnow (*Ptychocheilus lucius*); humpback chub (*Gila cypha*); bonytail (*Gila elegans*); and razorback sucker (*Xyrauchen texanus*) and their designated critical habitat. The depletion is necessary to complete the proposed action which includes the drilling of up to six coal exploration holes within the Mill Fork Coal Lease ML-48258.

In accordance with section 7 of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*), and the Interagency Cooperation Regulations (50 CFR 402), this document transmits the Fish and Wildlife Service's (Service) biological opinion for these four fish species.

Because water depletions from the Upper Colorado River Basin are a major factor in the decline of the endangered fishes (Colorado pikeminnow, bonytail, humpback chub, and razorback sucker), the Service determined that any depletion will jeopardize their continued existence and will likely contribute to the destruction or adverse modification of their critical habitat (USDI, Fish and Wildlife Service, Region 6 Memorandum, dated July 8, 1997).

To address depletion issues, the Department of the Interior; the states of Wyoming, Colorado and Utah; and the Western Area Power Administration established the Recovery Implementation Program for Endangered Fish Species in 1988. The Recovery Program acts as the reasonable and prudent alternative to avoid jeopardy to the endangered fishes by depletions from the Upper Colorado River Basin.

In order to further define and clarify the process in the Recovery Program, a section 7 agreement was implemented on October 15, 1993, by the Recovery Program participants. Incorporated into this agreement is a Recovery Implementation Program Recovery Action Plan (Plan) which identifies actions currently believed to be required to recover the endangered fishes in the most expeditious manner.

Included in the Recovery Program was the requirement that a depletion fee would be paid to help support the Recovery Program. On July 8, 1997, the Service issued an intra-Service biological opinion determining that the depletion fee for average annual depletions of 100 acre-feet or less are no longer required because the Recovery Program has made sufficient progress to be the reasonable and prudent alternative to avoid the likelihood of jeopardy to the endangered fishes and to avoid destruction or adverse modification of their critical habitat by depletions of 100 acre-feet or less. The water depletion for this project is estimated to be 0.74 acre-feet. Therefore, the depletion fee for this project is waived.

We appreciate your commitment in the conservation of endangered species. If the project changes or it is later determined that the project affects listed species differently than identified above; it may become necessary to reinitiate Section 7 consultation. If you require further assistance or have any questions, please contact Laura Romin, at (801) 975-3330 extension 142.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Crist", written over the word "Sincerely,".

Larry Crist
Field Supervisor

Fleck, Ken

From: Joe Helfrich [joe Helfrich@utah.gov]
Sent: Tuesday, July 22, 2008 8:29 AM
To: Wilson Martin
Cc: Fleck, Ken
Subject: Energy West Coal Exploration, task # 3012

Attachments: 0043.pdf



0043.pdf (9 MB)

Hi Wilson;

Energy West Mining Company needs to relocate one of their coal exploration drill sites, # 2008-2. Based on the following previous concurrences from the SHPO and personal communication with representatives from the Forest Service, the Division seeks concurrence with its determination of no effect for this drill site.

A Class I literature search completed by Earth Touch Inc. for the relocated drill site was included in the previous 2 applications for the original 6 drill sites. SHPO concurrence for these exploration projects was received by the Division by "E" mail correspondence on March 4th and April 18th, 2008.

The application for the relocation of drill site # 2008-2 does not include a class III pedestrian survey assessment. However the proposed location for the drill site is located on the trace of a reclaimed fire suppression access road.

Personal conversations with Dale Harber, (Geologist for the Manti La-Sal National Forest), Tom Lloyd, (North Zone Minerals Manager), and Charmaine Thompson, (Archaeologist for the Manti La-Sal National Forest), on July 21, 2008 confirmed that a class III pedestrian survey would not be required in light of the pre-disturbance, low site potential, low impacts and steep topography.

Fleck, Ken

From: Fleck, Ken
Sent: Tuesday, July 08, 2008 11:39 AM
To: 'OGMCOAL OGMCOAL'
Cc: 'Thomas W Lloyd'; 'John Blake'; Oakley, Dennis; Semborski, Chuck; Child, Scott
Subject: Task #2944, Letter of Intent to Conduct Minor Coal Exploration, PacifiCorp, Deer Creek Mine, C/015/0018, Addendum to Move Hole 2008-2

Attachments: C1C2 Exploration NOI Hole Relocation Request 070808.doc; 2008-2 Hole Move Request 070808.pdf; General Location Map.pdf; Utah State Coal Lease ML-48258.pdf; Crandall Canyon Aerial Photo.pdf; Surface Ownership Map.pdf; Coal Ownership Map.pdf; Raptor Location Map.pdf; Water Line and Pump Location Map.pdf

Accompanying this e-mail message are documents and C1-C2 forms for a proposed change to the Notice of Intention to Conduct Minor Coal Exploration, Task #2944. The purpose of the change is to move a drill site to a more advantageous position for timely data acquisition. This is a matter of high urgency for Energy West. Original hard copies of these documents have been mailed today.

Thank You,

Kenneth S. Fleck
Geology and Environmental Affairs Manager

Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528
435-687-4712



C1C2 Exploration
NOI Hole Relo...



2008-2 Hole Move
Request 07080...



General Location
Map.pdf (2 MB...



Utah State Coal
Lease ML-48258...



Crandall Canyon
Aerial Photo.p...



Surface Ownership
Map.pdf (242...



Coal Ownership
Map.pdf (245 KB...



Raptor Location
Map.pdf (3 MB)...



Water Line and
Pump Location M...



P.O. Box 310
15 North Main Street
Huntington, Utah 84528

E-Mailed: July 8, 2008

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: ENERGY WEST NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION (Task #2944): REQUEST TO RELOCATE DRILL HOLE 2008-2 FROM CRANDALL CANYON TO MILL FORK RIDGE - UTAH STATE COAL LEASE ML-48258; PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH

Energy West hereby requests to relocate drill hole 2008-2 from Crandall Canyon to Mill Fork Ridge. Based on results of the recently completed holes 2008-4 and 2008-6 in Mill Fork Canyon, further data is required to delineate splitting in the Blind Canyon Seam. Currently Energy West is developing a set of mains to access the Mill Fork reserves from the Deer Creek Mine. A new drill site on Mill Fork ridge will provide urgently needed and vital information for predicting geologic conditions within the projected 8th North Mains and the location of longwall panels in the vicinity of the 8th North Mains. The number of holes within the approved plan would remain the same, six (6). Mr. John Blake, SITLA, has been notified of this change request.

This request would be considered an addendum to the Notice of Intent to Conduct Minor Coal Exploration approved on April 24, 2008 (Task ID# 2944). The proposed location on Mill Fork Ridge is located in the SE1/4NE1/4 of Section 12, Township 16 South, Range 6 East (south 2055 feet, west 526 feet from the northeast corner). The proposed site on Mill Fork Ridge is located in a small meadow along the old reclaimed fire/drill road.

All aspects in terms of engineering principles, geologic setting, hydrology, soils, biology related to the proposed site on Mill Fork Ridge are the same as the approved sites in Mill Fork and Crandall canyons. Energy West carefully selects the exploration sites to minimize environmental affects. In this case, the drilling equipment will be placed on the trace of the old fire/drill road that was reclaimed in the early 1980s to avoid additional impact to undisturbed ground and vegetation.

Energy West will comply with the performance standards and conditions stated in the approved Notice of Intent to Conduct Minor Coal Exploration (approved on April 24, 2008: Task #2944), including all stipulations listed in the U.S.F.S. approval. The method of exploration to be used, amount of coal to be removed, and practices to be used to protect the area from adverse impacts and reclaim the area will comply with the approved plan:

The method of exploration to be used is helicopter-assisted drilling, in which the primary mode of transportation for drilling equipment and personnel is by helicopter, rather than by road. By using this method, drilling equipment can be transported into remote areas inaccessible by road to conventional drilling rigs, and environmental impact to the surface is minimized. All drills, drilling equipment, and personnel will be transported to the individual drilling sites by helicopter from staging areas located in Mill Fork Canyon.

No access road or pad construction will be necessary for the proposed site on Mill Fork Ridge. Drilling equipment and materials will be transported to the drill site by helicopter. Personnel will access the site by vehicle and helicopter via existing roads and on foot. The new drill site is relatively level (20 percent or less slope); therefore, minimal site preparation will be necessary. Vegetation, in the form of trees, grasses, forbs and sparse, low shrubs, will not be removed. However, it may be necessary to remove dead-fall and some "taller" shrubs (mahogany, etc.)/aspen trees for safety reasons. This will be minimized and accomplished using hand tools. The dead-fall will be replaced upon completion of drilling. An area no larger than approximately 40' by 40' will be occupied at the drill site. Leveling of drilling equipment will be accomplished using hand tools and supports (wood blocks, etc.) transported to the site by helicopter. All materials, tools and equipment will be removed immediately upon completion of drilling and reclamation activities.

Energy West will comply with Practices to Protect from Adverse Impacts and to Reclaim the Area; section stated in the approved plan.

"During drilling, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek or Cottonwood Waste Rock sites for disposal. Containment of possible fluid spills will be achieved through the use of brattice ground cover, silt fence, and if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean-up, the site of removal will be recontoured and seeded with the approved seed mixture."

DOGM/USFS
2008-2 Relocation to Mill Fork Ridge
July 08, 2008
Page Three

Pacificorp has obtained the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the proposed drill holes. Where water is taken from streams, this is done by laying an intake hose directly in the stream. No disturbance is made to the stream course.

Energy West estimates that projected startup time for 2008-2 would be July 14, 2008. Time to complete the hole will be approximately seven (7) days.

If you require any additional information please call me at (435) 687-4712.

Thank you for your assistance in this special request.

Sincerely,

Kenneth S. Fleck

Kenneth S. Fleck

Geology and Environmental Affairs Manager

Enclosures (3 Copies)

cc:

John Blake, SITLA

Scott Child (Interwest) w/o encl.

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☐ New Permit ☐ Renewal ☐ Exploration ☒ Bond Release ☐ Transfer ☐

Permittee: Pacificorp - Energy West Mining Company

Mine: Deer Creek Mine

Permit Number: C/015/0018

Title: Notice of Intention to Conduct Minor Coal Exploration - Revised March, 2008 - Tracking #2944

Description, Include reason for application and timing required to implement:

Request to relocate hole #2008-2 from Crandall Canyon to Mill Fork Ridge

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |
- Explain:* _____
- | | |
|---|--|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Kenneth Fleck
Print Name

Kenneth S. Fleck
Sign Name, Position, Date

Manager of Environmental Affairs

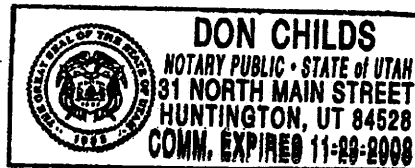
07/08/08

Subscribed and sworn to before me this 8th day of July, 2008

[Signature]
Notary Public

My commission Expires:

Attest: State of UTAH) ss:
County of EMERY



For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

APPLICATION FOR COAL PERMIT PROCESSING
Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: PacifiCorp - Energy West Mining Company

Mine: Deer Creek Mine

Permit Number: C/015/0018

Title: Notice of Intention to Conduct Minor Coal Exploration - Revised March, 2008 - Tracking #2944

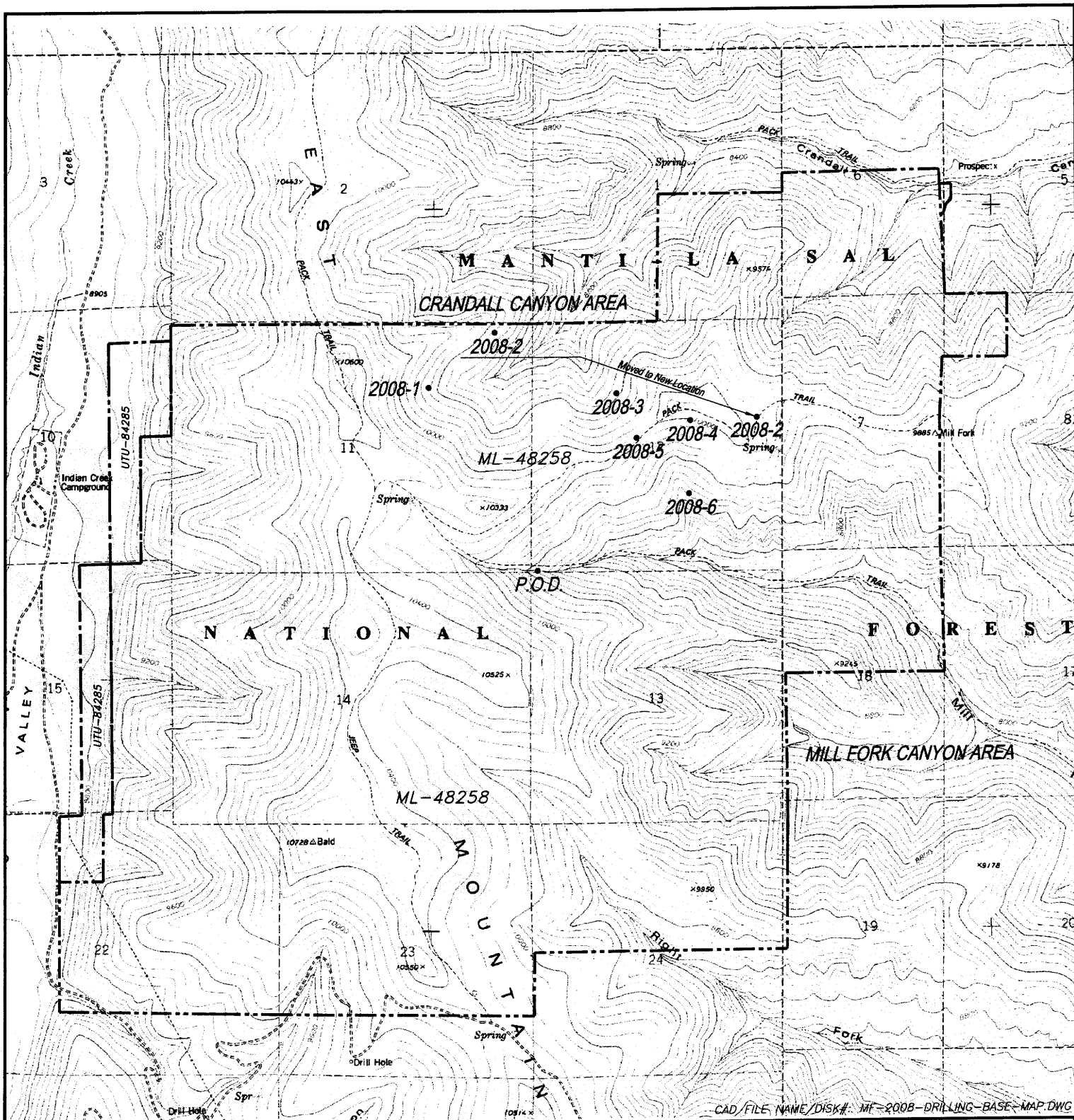
Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

[illegible]

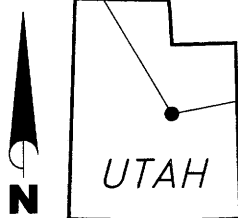
Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

Received by Oil, Gas & Mining

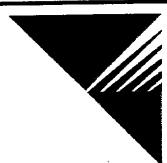


CAD/FILE NAME/DISK#: MF-2008-DRILLING-BASE-MAP.DWG

2008-1 Proposed 2008 Drill Hole



Modified from
Rilda Quadrangle
7.5 Minute Series



**ENERGY WEST
MINING COMPANY**

A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
GENERAL LOCATION MAP

DRAWN BY: K. LARSEN

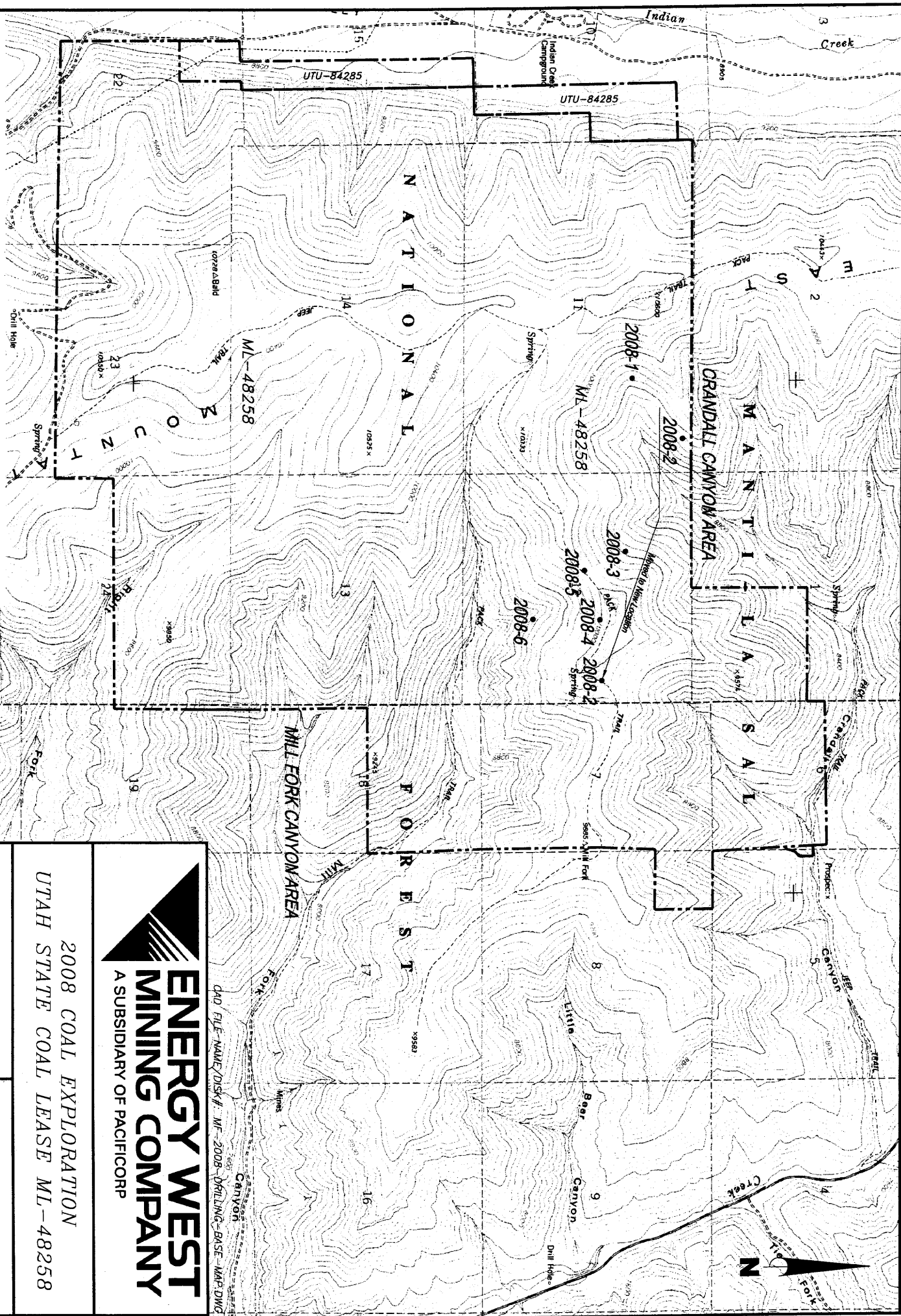
SCALE: 1" = 3000'

DATE: JULY 8, 2008


DRAWING #:

SHEET 1 OF 1

REV. ____



EM-204 Completed 2007 Drill Hole
2008-1 Proposed 2008 Drill Hole



ENERGY WEST
MINING COMPANY
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258

DRAWN BY:	K. LARSEN	DRAWING #:
SCALE:	1" = 3000'	SHEET	1 OF 1
DATE:	JULY 8, 2008	REV.	---



CAD FILE NAME/DISK#: 2008 DRILLING PLAN.DWG

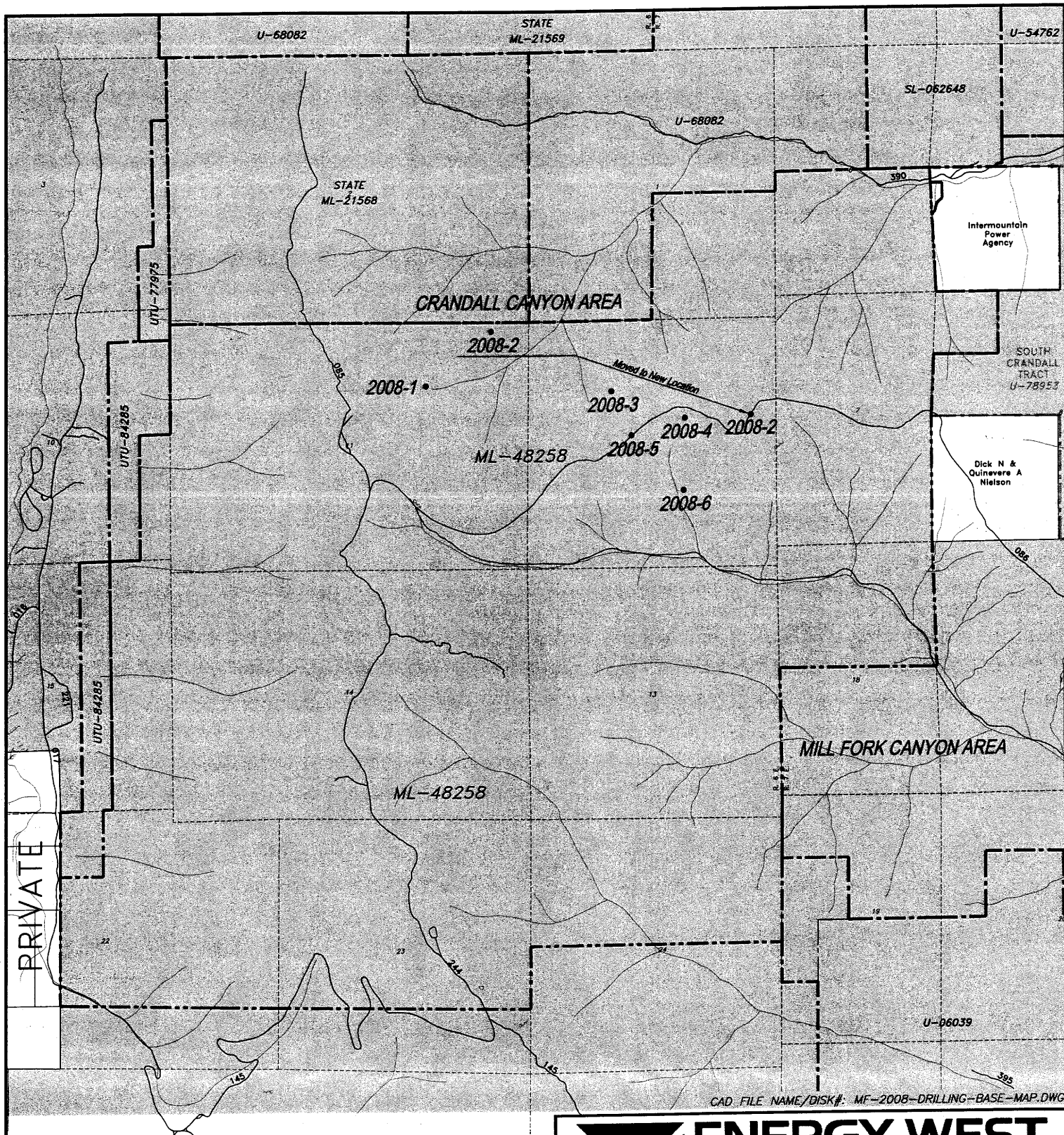


**ENERGY WEST
MINING COMPANY**

A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
CRANDALL CANYON AERIAL PHOTO

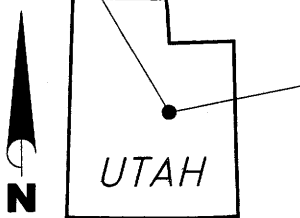
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SCALE:	1" = 1/8 MILE	DRAWING #:		
DATE:	JULY 8, 2008	SHEET	1 OF 1	REV. _____



CAD FILE NAME/DISK#: MF-2008-DRILLING-BASE-MAP.DWG

2008-1 Proposed 2008 Drill Hole

U.S. NATIONAL FOREST



Modified from
Rilda Quadrangle
7.5 Minute Series



**ENERGY WEST
MINING COMPANY**
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
SURFACE OWNERSHIP MAP

DRAWN BY: K. LARSEN

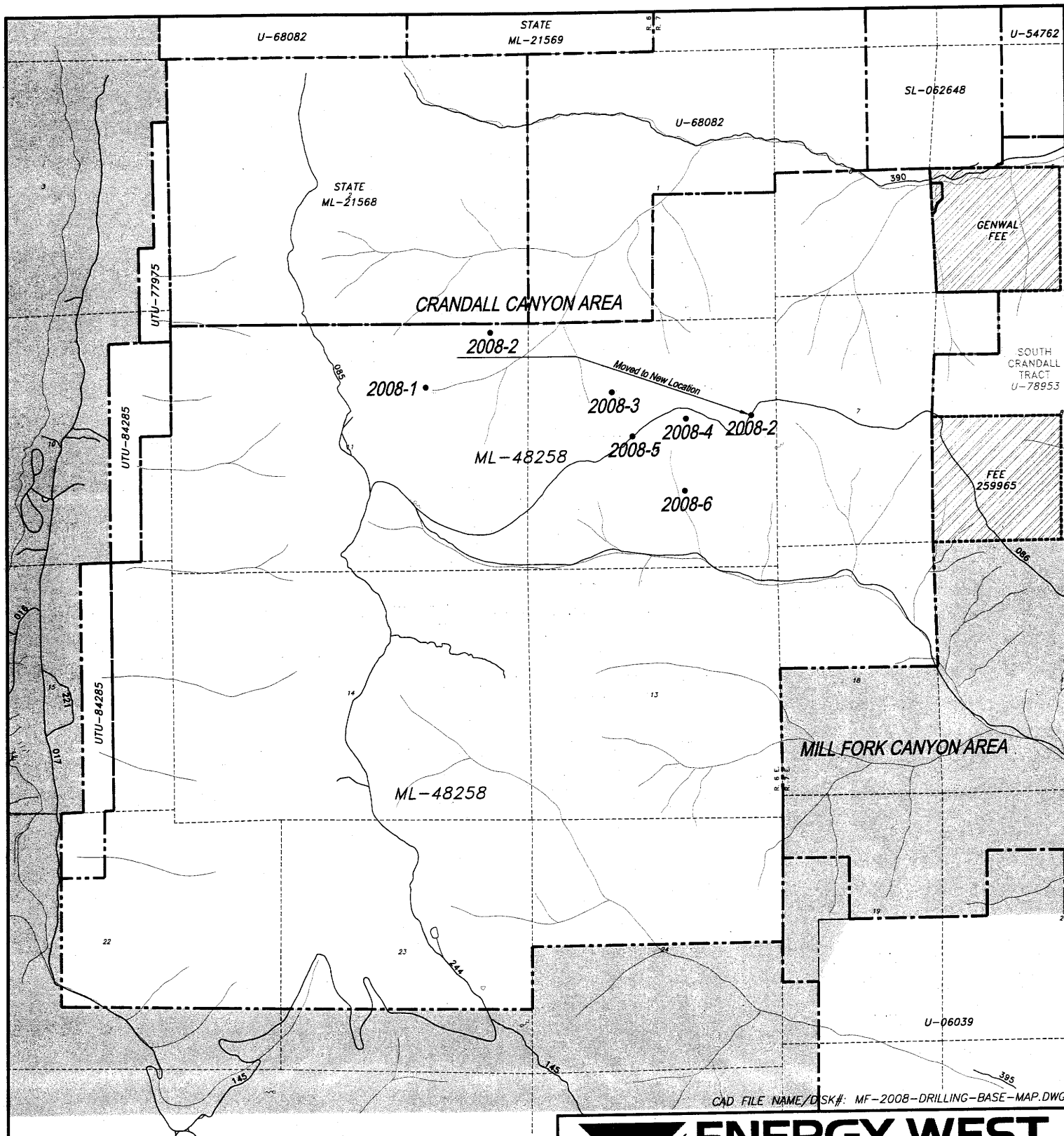
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DATE: JULY 8, 2008

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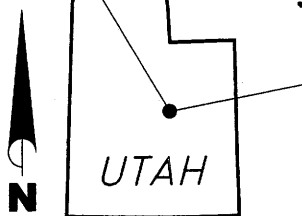
SHEET 1 OF 1

REV. ____



2008-1 Proposed 2008 Drill Hole

UNLEASED FEDERAL COAL
FEE COAL



Modified from
Rilda Quadrangle
7.5 Minute Series

CAD FILE NAME/DSK#: MF-2008-DRILLING-BASE-MAP.DWG



**ENERGY WEST
MINING COMPANY**
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
COAL OWNERSHIP MAP

DRAWN BY: K. LARSEN

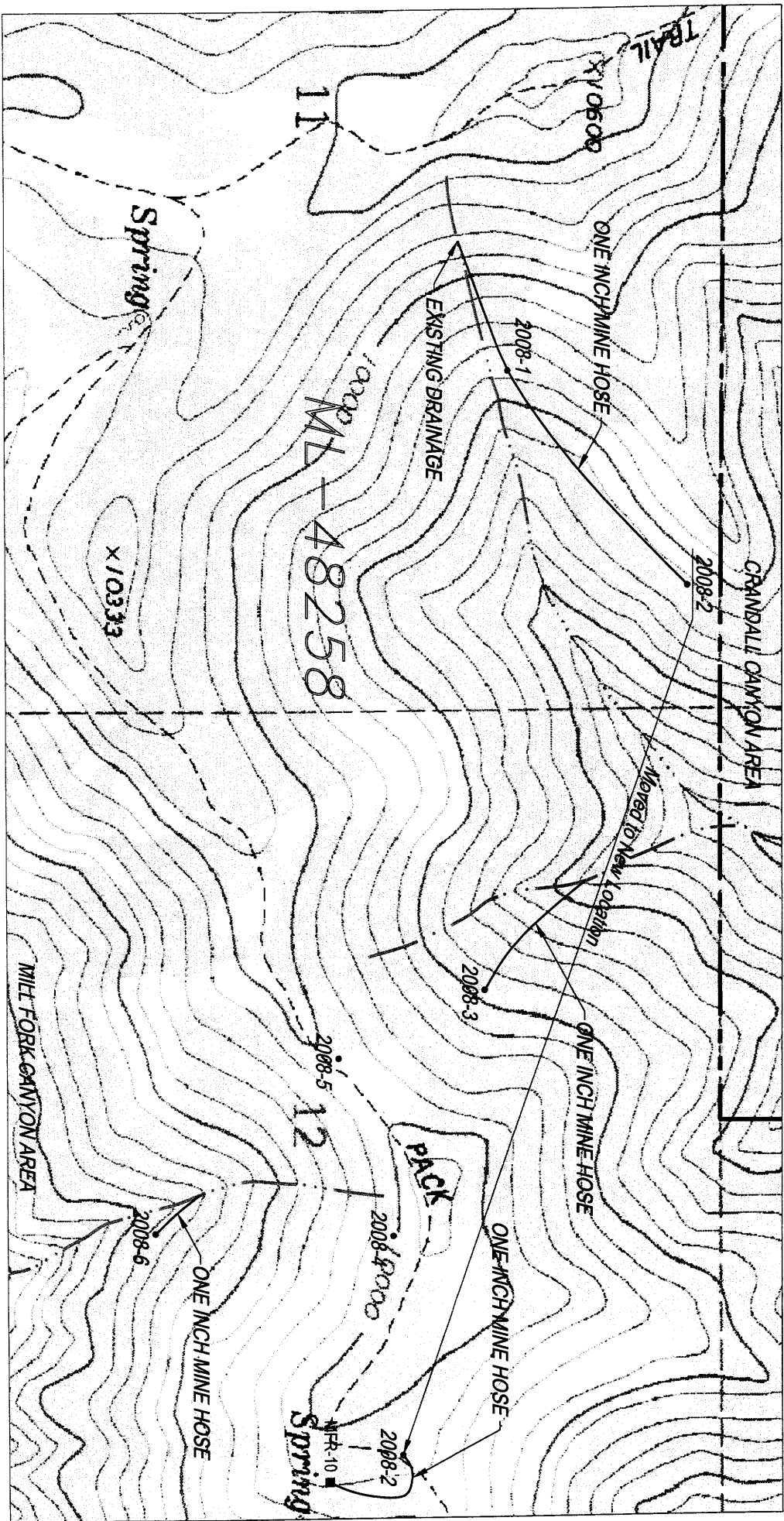
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DATE: JULY 8, 2008

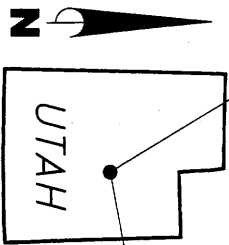
DRAWING #:

SHEET 1 OF 1

REV. ____




2008-1 Proposed 2008 Drill Hole



Modified from
Rilda Quadrangle
7.5 Minute Series

THE PRIMARY WATER SOURCE
FOR DRILLING WILL BE THE
ADJACENT STREAMS AND SPRINGS
GRAVITY FLOW TO RIG
ONE INCH MINE HOSE

CAD FILE NAME/DISK#: MF--2007-DRILLING-BASE-MAP.DWG



ENERGY WEST
MINING COMPANY
A SUBSIDIARY OF PACIFICORP

2008 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
WATERLINE & PUMP LOCATION MAP #1

DRAWN BY: K. LARSEN

SCALE: 1" = 1000'

DATE: JULY 8, 2008

DRAWING #:

SHEET 1 OF 1

REV. ---

Fleck, Ken

From: John Blake [JBLAKE@utah.gov]
Sent: Tuesday, July 08, 2008 1:43 PM
To: Fleck, Ken
Cc: Thomas W Lloyd; Semborski, Chuck; Oakley, Dennis; Child, Scott
Subject: Re: Task #2944, Letter of Intent to Conduct Minor Coal

To Whom It May Concern:

The proposed relocation of drill site 2008-2 from Crandall Canyon to Mill Fork Ridge by Energy West Mining Company is allowed under SITLA coal lease ML 48258, as to entry of the coal estate. SITLA strongly endorses the proposed action as a means of gathering much needed geological information to ensure maximum economic recovery of the mineable coal reserve from the Mill Fork coal tract. SITLA urges DOGM and the Manti-La Sal National Forest to timely consider and approve the requested change in drilling location for proposed drill site 2008-2 for the current drilling season.

Thank you,
John T. Blake
SITLA

>>> "Fleck, Ken" <Kenneth.Fleck@PacifiCorp.com> 7/8/2008 11:38 AM >>>
Accompanying this e-mail message are documents and C1-C2 forms for a proposed change to the Notice of Intention to Conduct Minor Coal Exploration, Task #2944. The purpose of the change is to move a drill site to a more advantageous position for timely data acquisition. This is a matter of high urgency for Energy West. Original hard copies of these documents have been mailed today.

Thank You,

Kenneth S. Fleck
Geology and Environmental Affairs Manager

Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528
435-687-4712

Fleck, Ken

From: Thomas W Lloyd [twlloyd@fs.fed.us]
Sent: Tuesday, July 08, 2008 3:46 PM
To: Fleck, Ken
Cc: Semborski, Chuck; Oakley, Dennis; John Blake; OGMCOAL OGMCOAL; Child, Scott; Mesia Nyman; Steve Rigby
Subject: Re: Task #2944, Letter of Intent to Conduct Minor Coal Exploration, Pacificorp, Deer Creek Mine, C/015/0018, Addendum to Move Hole 2008-2

Ken,

I have looked at the proposed relocation of drill hole number 2008-2. I have no concern with the proposed change. The new location is on a closed road which was constructed for coal exploration in the early 1980s. Equipment and personnel would be flown to the new location consistent with the 2008 drilling plan. The road will remain closed. No motorized travel on the closed road is proposed.

Occupancy of National Forest System lands and the Mill Fork lease for helicopter assisted coal exploration drilling was authorized by a Special Use Permit (SUP) issued on June 18, 2008.

The relocation of the drill hole is authorized. I will show the changed location in the SUP. Drilling operations must be consistent with the Conditions of Approval attached to the SUP.

Tom Lloyd
Acting for Mesia Nyman, District Ranger
Manti LaSal National Forest
Office: 435-636-3596
Cell: 435-749-1658

Fleck, Ken

From: Fleck, Ken
Sent: Tuesday, July 08, 2008 4:09 PM
To: 'OGMCOAL OGMCOAL'
Cc: 'Karl Houskeeper'
Subject: FW: Task #2944, Letter of Intent to Conduct Minor Coal

I am forwarding this e-mail as documentation in support of the addendum documents sent earlier today. This e-mail indicates SITLA approval of the proposed drill plan change.

Thank You,

Ken Fleck
Geology and Environmental Affairs Manager
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

435-687-4712

-----Original Message-----

From: John Blake [mailto:JBLAKE@utah.gov]
Sent: Tuesday, July 08, 2008 1:43 PM
To: Fleck, Ken
Cc: Thomas W Lloyd; Semborski, Chuck; Oakley, Dennis; Child, Scott
Subject: Re: Task #2944, Letter of Intent to Conduct Minor Coal

To Whom It May Concern:

The proposed relocation of drill site 2008-2 from Crandall Canyon to Mill Fork Ridge by Energy West Mining Company is allowed under SITLA coal lease ML 48258, as to entry of the coal estate. SITLA strongly endorses the proposed action as a means of gathering much needed geological information to ensure maximum economic recovery of the mineable coal reserve from the Mill Fork coal tract. SITLA urges DOGM and the Manti-La Sal National Forest to timely consider and approve the requested change in drilling location for proposed drill site 2008-2 for the current drilling season.

Thank you,
John T. Blake
SITLA

>>> "Fleck, Ken" <Kenneth.Fleck@PacifiCorp.com> 7/8/2008 11:38 AM >>>
Accompanying this e-mail message are documents and C1-C2 forms for a proposed change to the Notice of Intention to Conduct Minor Coal Exploration, Task #2944. The purpose of the change is to move a drill site to a more advantageous position for timely data acquisition. This is a matter of high urgency for Energy West. Original hard copies of these documents have been mailed today.

Thank You,

Kenneth S. Fleck
Geology and Environmental Affairs Manager

Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528
435-687-4712

Fleck, Ken

From: Fleck, Ken
Sent: Tuesday, July 08, 2008 4:17 PM
To: 'OGMCOAL OGMCOAL'
Cc: 'Karl Houskeeper'
Subject: FW: Task #2944, Letter of Intent to Conduct Minor Coal Exploration, Pacificorp, Deer Creek Mine, C/015/0018, Addendum to Move Hole 2008-2, Forest Service Approval

I am forwarding this document in support of the proposed change to the Notice of Intention to Conduct Minor Coal Exploration. This e-mail document indicates approval by the Forest Service Acting District Ranger of the proposed change. Unless further information or documentation is required by the Division, Energy West will proceed with the change.

Thank You,

Ken Fleck
Geology and Environmental Affairs Manager
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

435-687-4712

-----Original Message-----

From: Thomas W Lloyd [mailto:twlloyd@fs.fed.us]
Sent: Tuesday, July 08, 2008 3:46 PM
To: Fleck, Ken
Cc: Semborski, Chuck; Oakley, Dennis; John Blake; OGMCOAL OGMCOAL; Child, Scott; Mesia Nyman; Steve Rigby
Subject: Re: Task #2944, Letter of Intent to Conduct Minor Coal Exploration, Pacificorp, Deer Creek Mine, C/015/0018, Addendum to Move Hole 2008-2

Ken,

I have looked at the proposed relocation of drill hole number 2008-2. I have no concern with the proposed change. The new location is on a closed road which was constructed for coal exploration in the early 1980s. Equipment and personnel would be flown to the new location consistent with the 2008 drilling plan. The road will remain closed. No motorized travel on the closed road is proposed.

Occupancy of National Forest System lands and the Mill Fork lease for helicopter assisted coal exploration drilling was authorized by a Special Use Permit (SUP) issued on June 18, 2008.

The relocation of the drill hole is authorized. I will show the changed location in the SUP. Drilling operations must be consistent with the Conditions of Approval attached to the SUP.

Tom Lloyd
Acting for Mesia Nyman, District Ranger
Manti LaSal National Forest
Office: 435-636-3596
Cell: 435-749-1658

Fleck, Ken

From: Steve Demczak [stevedemczak@utah.gov]
Sent: Monday, July 14, 2008 6:18 AM
To: Fleck, Ken
Subject: Re: FW: Task #2944, Letter of Intent to Conduct Minor Coal

I will be reviewing 95% of the exploration letter of intent. Can you send or give a copy to me for review. I will be inspecting Des Bee Dove tomorrow. Joe will be doing birds and bees and historical.

>>> "Fleck, Ken" <Kenneth.Fleck@PacifiCorp.com> 7/8/2008 4:08 PM >>>
I am forwarding this e-mail as documentation in support of the addendum documents sent earlier today. This e-mail indicates SITLA approval of the proposed drill plan change.

Thank You,

Ken Fleck
Geology and Environmental Affairs Manager
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

435-687-4712

-----Original Message-----

From: John Blake [mailto:JBLAKE@utah.gov]
Sent: Tuesday, July 08, 2008 1:43 PM
To: Fleck, Ken
Cc: Thomas W Lloyd; Semborski, Chuck; Oakley, Dennis; Child, Scott
Subject: Re: Task #2944, Letter of Intent to Conduct Minor Coal

To Whom It May Concern:

The proposed relocation of drill site 2008-2 from Crandall Canyon to Mill Fork Ridge by Energy West Mining Company is allowed under SITLA coal lease ML 48258, as to entry of the coal estate. SITLA strongly endorses the proposed action as a means of gathering much needed geological information to ensure maximum economic recovery of the mineable coal reserve from the Mill Fork coal tract. SITLA urges DOGM and the Manti-La Sal National Forest to timely consider and approve the requested change in drilling location for proposed drill site 2008-2 for the current drilling season.

Thank you,
John T. Blake
SITLA

>>> "Fleck, Ken" <Kenneth.Fleck@PacifiCorp.com> 7/8/2008 11:38 AM >>>
Accompanying this e-mail message are documents and C1-C2 forms for a proposed change to the Notice of Intention to Conduct Minor Coal Exploration, Task #2944. The purpose of the change is to move a drill site to a more advantageous position for timely data acquisition. This is a matter of high urgency for Energy West. Original hard copies of these documents have been mailed today.

Thank You,

Kenneth S. Fleck
Geology and Environmental Affairs Manager

Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528
435-687-4712

Fleck, Ken

From: Joe Helfrich [joehelfrich@utah.gov]
Sent: Friday, July 18, 2008 5:26 PM
To: Tom Lloyd
Cc: Fleck, Ken
Subject: Fwd: FW: Task #2944, Letter of Intent to Conduct Minor Coal Exploration, Pacificorp, Deer Creek Mine, C/015/0018, Addendum to Move Hole 2008-2

Hi Tom, I would like to visit with you briefly on this "E" mail before I sign off on Ken's application for the relocated drill hole.....Thanks, Joe 801 538-5290

>>> "Fleck, Ken" <Kenneth.Fleck@PacifiCorp.com> 7/18/2008 5:09 PM >>>

-----Original Message-----

From: Thomas W Lloyd [mailto:twlloyd@fs.fed.us]
Sent: Tuesday, July 08, 2008 3:46 PM
To: Fleck, Ken
Cc: Semborski, Chuck; Oakley, Dennis; John Blake; OGMCOAL OGMCOAL; Child, Scott; Mesia Nyman; Steve Rigby
Subject: Re: Task #2944, Letter of Intent to Conduct Minor Coal Exploration, Pacificorp, Deer Creek Mine, C/015/0018, Addendum to Move Hole 2008-2

Ken,

I have looked at the proposed relocation of drill hole number 2008-2. I have no concern with the proposed change. The new location is on a closed road which was constructed for coal exploration in the early 1980s. Equipment and personnel would be flown to the new location consistent with the 2008 drilling plan. The road will remain closed. No motorized travel on the closed road is proposed.

Occupancy of National Forest System lands and the Mill Fork lease for helicopter assisted coal exploration drilling was authorized by a Special Use Permit (SUP) issued on June 18, 2008.

The relocation of the drill hole is authorized. I will show the changed location in the SUP. Drilling operations must be consistent with the Conditions of Approval attached to the SUP.

Tom Lloyd
Acting for Mesia Nyman, District Ranger
Manti LaSal National Forest
Office: 435-636-3596
Cell: 435-749-1658

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It is intended solely for the addressee. Access to this email by anyone else, unless expressly approved by the sender or an authorized addressee, is unauthorized.

If you are not the intended recipient, any disclosure, copying, distribution or any action omitted or taken in reliance on it, is prohibited and may be unlawful. If you believe that you have received this email in error, please contact the sender, delete this e-mail and destroy all copies.

=====

Fleck, Ken

From: Fleck, Ken
Sent: Tuesday, July 22, 2008 3:18 PM
To: Semborski, Chuck
Subject: FW: Energy West Coal Exploration, task # 3012

Attachments: 0043.pdf



0043.pdf (9 MB)

-----Original Message-----

From: Joe Helfrich [mailto:joehelfrich@utah.gov]
Sent: Tuesday, July 22, 2008 8:29 AM
To: Wilson Martin
Cc: Fleck, Ken
Subject: Energy West Coal Exploration, task # 3012

Hi Wilson;

Energy West Mining Company needs to relocate one of their coal exploration drill sites, # 2008-2. Based on the following previous concurrences from the SHPO and personal communication with representatives from the Forest Service, the Division seeks concurrence with its determination of no effect for this drill site.

A Class I literature search completed by Earth Touch Inc. for the relocated drill site was included in the previous 2 applications for the original 6 drill sites. SHPO concurrence for these exploration projects was received by the Division by "E" mail correspondence on March 4th and April 18th, 2008.

The application for the relocation of drill site # 2008-2 does not include a class III pedestrian survey assessment. However the proposed location for the drill site is located on the trace of a reclaimed fire suppression access road.

Personal conversations with Dale Harber, (Geologist for the Manti La-Sal National Forest), Tom Lloyd, (North Zone Minerals Manager), and Charmane Thompson, (Archaeologist for the Manti La-Sal National Forest), on July 21, 2008 confirmed that a class III pedestrian survey would not be required in light of the pre-disturbance, low site potential, low impacts and steep topography.



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Department of Community and Culture

PALMER DePAULIS
Executive Director

State History

PHILIP F. NOTARIANNI
Division Director

July 28, 2008

Kenneth S. Fleck
Geology and Environmental Affairs Manager
Energy West Mining Company
P. O. Box 310
Huntington UT 84528

RE: Energy West Coal Exploration Task #3012

In Reply Please Refer to Case No. 08-1221

Dear Mr. Fleck:

The Utah State Historic Preservation Office received your request for our comment on the above-referenced project on July 22, 2008. From the information you provided, it appears that no cultural resources were located in the project Area of Potential Effects. We concur with your determination of **No Historic Properties Affected** for this project.

This letter serves as our comment on the determinations you have made, within the consultation process specified in §36CFR800.4. If you have questions, please contact me at (801) 533-3555 or jdykman@utah.gov.

As ever,

James L. Dykman
Acting Deputy State Historic Preservation Officer - Archaeology

UTAH STATE
HISTORY

UTAH STATE HISTORICAL SOCIETY
ANTIQUITIES
HISTORIC PRESERVATION
RESEARCH CENTER & COLLECTIONS

300 S. RIO GRANDE STREET, SALT LAKE CITY, UT 84101-1182 • TELEPHONE 801 533-3500 • FACSIMILE 801 533-3503 • HISTORY.UTAH.GOV

Fleck, Ken

From: OGMCOAL OGMCOAL [ogmcoal@utah.gov]
Sent: Tuesday, August 05, 2008 9:52 AM
To: Fleck, Ken
Cc: Jim Smith
Subject: Deer Creek Mine, Minor Coal Exploration - New Hole, Task ID #3012

The Division received your application for the above-noted permit change on July 10, 2008. Pursuant to R645-303-221, the Division completed the requisite 15-day Initial Review (IR) and accepts this application for a technical review. The Division anticipates this review will be completed by September 8, 2008.

If you have any questions, please call Jim Smith at (801) 538-5262.



P.O. Box 310
15 North Main Street
Huntington, Utah 84528

E-Mailed: July 8, 2008

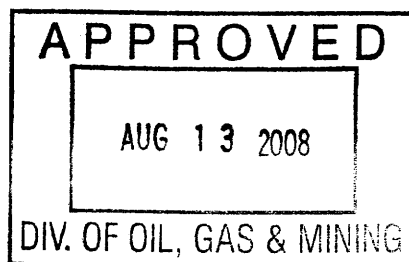
Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: ENERGY WEST NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION (Task #2944): REQUEST TO RELOCATE DRILL HOLE 2008-2 FROM CRANDALL CANYON TO MILL FORK RIDGE - UTAH STATE COAL LEASE ML-48258; PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH

Energy West hereby requests to relocate drill hole 2008-2 from Crandall Canyon to Mill Fork Ridge. Based on results of the recently completed holes 2008-4 and 2008-6 in Mill Fork Canyon, further data is required to delineate splitting in the Blind Canyon Seam. Currently Energy West is developing a set of mains to access the Mill Fork reserves from the Deer Creek Mine. A new drill site on Mill Fork ridge will provide urgently needed and vital information for predicting geologic conditions within the projected 8th North Mains and the location of longwall panels in the vicinity of the 8th North Mains. The number of holes within the approved plan would remain the same, six (6). Mr. John Blake, SITLA, has been notified of this change request.

This request would be considered an addendum to the Notice of Intent to Conduct Minor Coal Exploration approved on April 24, 2008 (Task ID# 2944). The proposed location on Mill Fork Ridge is located in the SE1/4NE1/4 of Section 12, Township 16 South, Range 6 East (south 2055 feet, west 526 feet from the northeast corner). The proposed site on Mill Fork Ridge is located in a small meadow along the old reclaimed fire/drill road.

All aspects in terms of engineering principles, geologic setting, hydrology, soils, biology related to the proposed site on Mill Fork Ridge are the same as the approved sites in Mill Fork and Crandall canyons. Energy West carefully selects the exploration sites to minimize environmental affects. In this case, the drilling equipment will be placed on the trace of the old fire/drill road that was reclaimed in the early 1980s to avoid additional impact to undisturbed ground and vegetation.



RECEIVED
JUL 10 2008

DIV. OF OIL, GAS & MINING



E-Mailed: June 12, 2003

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

**RE: 2003 ENERGY WEST DRILLING PROGRAM: SPECIAL REQUEST TO
RELOCATE DRILL HOLE EM-187 FROM CRANDALL CANYON TO RILDA
CANYON (RIGHT FORK) - UTAH STATE COAL LEASE ML-48258;
PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH**

As stated in our June 9, 2003 letter, Energy West requests to relocate drill hole EM-187 from Crandall Canyon to Rilda Canyon - Right Fork. Due to the results of the recently completed hole in Mill Fork Canyon (EM-180), the site approved in Crandall Canyon (EM-187) is not needed for a foreseeable period. Currently Energy West is developing a set of mains to access the Mill Fork reserves from the Deer Creek Mine. A drill site in Rilda Canyon would assist Energy West in predicting geologic conditions within the projected Mill Fork Access Mains and the quality of coal delivered to the Huntington Power Plant. The number of holes within the approved plan would remain the same, five (5).

This request would be considered an addendum to the Notice of Intent to Conduct Minor Coal Exploration approved on May 29, 2003 (EX01J). The proposed location in Rilda Canyon is located in the SW1/4NE1/4 of Section 24, Township 16 South, Range 6 East (south 2550 feet, west 2460 feet from the northeast corner). The site proposed for Rilda Canyon was selected utilizing the criteria by established by U.S.F.S. biologist: open country away from dense timber. Energy West/DWR annual raptor review conducted on May 23, 2003 did not identify any active nest within the Rilda Canyon area.

All aspects in terms of engineering principals, geologic setting, hydrology, soils, biology related to the proposed site in Rilda Canyon are similar to the sites in Mill Fork and Crandall canyons. Energy West carefully selects the exploration sites to minimize environmental affects.

DOGM.

EM-187 Relocation to Rilda Canyon

June 12, 2003

Page Two

Energy West will comply with the performance standards and conditions stated in the approved Notice of Intent to Conduct Minor Coal Exploration (approved on May 29, 2003: EX01J), including all stipulations listed in the U.S.F.S. approval. The method of exploration to be used, amount of coal to be removed, and practices to be used to protect the area from adverse impacts and reclaim the area will comply with the approved plan:

The method of exploration to be used is helicopter-assisted drilling, in which the primary mode of transportation for drilling equipment and personnel is by helicopter, rather than by road. By using this method, drilling equipment can be transported into remote areas inaccessible by road to conventional drilling rigs, and environmental impact to the surface is minimized. All drills, drilling equipment, and personnel will be transported to the individual drilling sites by helicopter from staging areas located in Mill Fork Canyon.

No access road or pad construction will be necessary for the proposed site in Rilda Canyon. Drilling equipment and materials will be transported to the drill site by helicopter. Personnel will access the site by vehicle and helicopter via existing roads and on foot. The drill site are relatively level (20 percent or less slope); therefore, minimal site preparation will be necessary. Vegetation, in the form of trees, grasses, forbs and sparse, low shrubs, will not be removed. However, it may be necessary to remove dead-fall and some "taller" shrubs (mahogany, etc.)/aspen trees for safety reasons. This will be minimized and accomplished using hand tools. The dead-fall will be replaced upon completion of drilling. An area no larger than approximately 40' by 40' will be occupied at the drill site. Leveling of drilling equipment will be accomplished using hand tools and supports (wood blocks, etc.) transported to the site by helicopter. All materials, tools and equipment will be removed immediately upon completion of drilling and reclamation activities.

Energy West will comply with Practices to Protect from Adverse Impacts and to Reclaim the Area: section stated in the approved plan.

"During drilling, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek or Cottonwood Waste Rock sites for disposal. Containment of possible fluid spills will be achieved through the use of brattice ground cover, silt fence, and if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean-up, the site of removal will be recontoured and seeded with the approved seed mixture."

DOGM/U.S.F.S.
EM-187 Relocation to Rilda Canyon
June 9, 2003
Page Three

PacifiCorp has obtained the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the proposed drill holes. Where water is taken from streams, this is done by laying an intake hose directly in the stream. No disturbance is made to the stream course.

As required by the U.S.D.A. Forest Service for the 2002 drilling program (including the approved modified program), PacifiCorp contracted SENCO-PHENIX Archeological Services (Price, Utah) to conduct a file search for the proposed drilling activities. After the archeological field survey for the 2001 drilling program, SENCO-PHENIX recommended that PacifiCorp ask the U.S.D.A. Forest Service to waive the requirement for a field inspection of all drill sites due to the remoteness, small size, and minimal impact of the sites examined, and the limited probability of any future drill sites in the area impacting archaeological resources. SENCO-PHENIX Archeological Services (Price, Utah) has conducted a file search for the proposed drilling activities in Rilda Canyon.

Energy West estimates that projected startup time for EM-187 would be June 16, 2003. Time to completed the hole would be approximately seven (7) days.

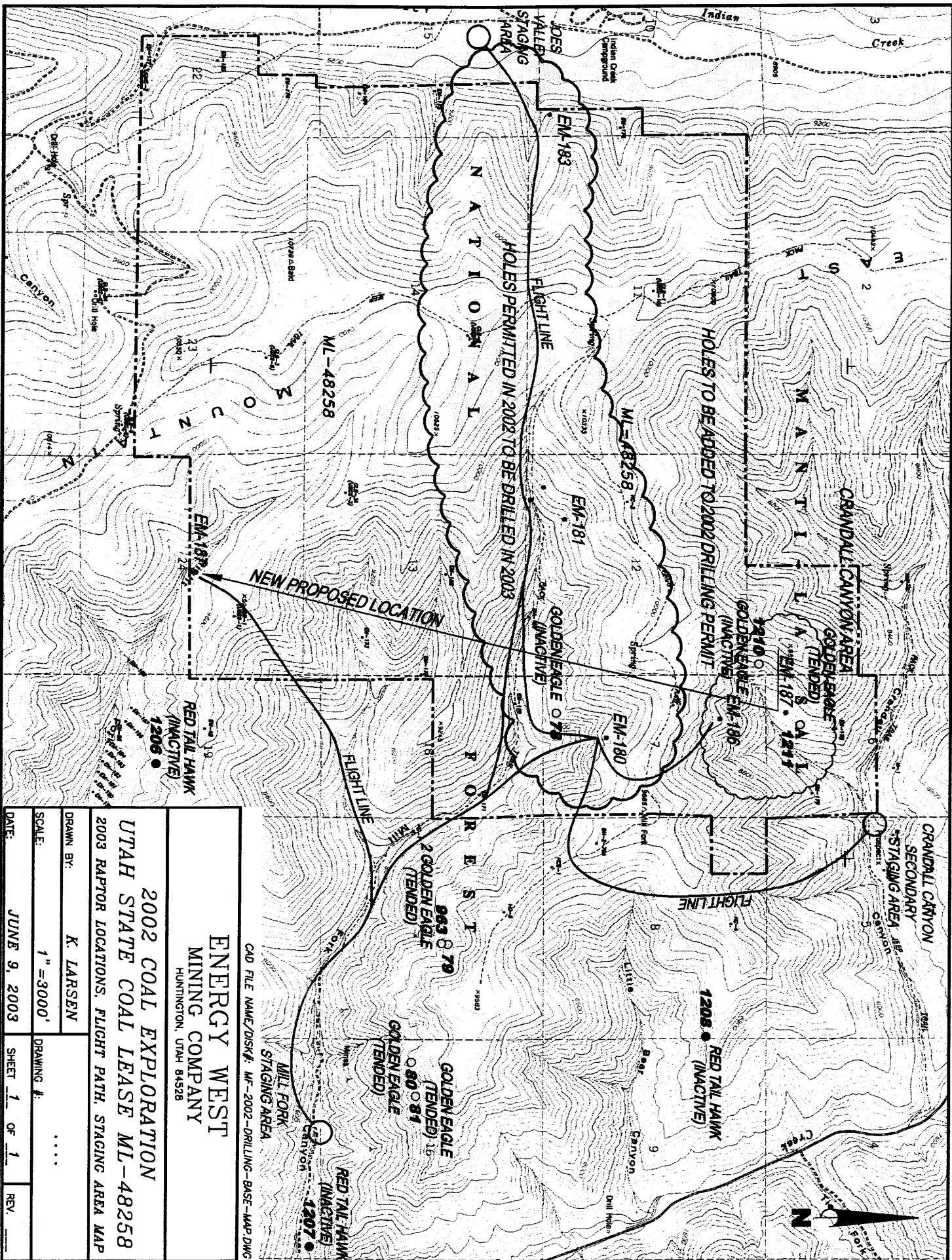
If you require any additional information please call me at (435) 687-4720.

Thank you for your assistance in this special request.

Sincerely,

Charles A. Semborski

Charles A. Semborski
Geology/Permitting Supervisor



CAD FILE NAME/DISK: MF-2002-DRILLING-BASE-MAP.DWG	
ENERGY WEST MINING COMPANY HUNTINGTON, UTAH 84528	
2002 COAL EXPLORATION UTAH STATE COAL LEASE ML-48258	
2003 RAPTOR LOCATIONS, FLIGHT PATH, STAGING AREA MAP	
DRAWN BY: K. LARSEN	DRAWING #:
SCALE: 1" = 3000'	DATE: JUNE 9, 2003
SHEET 1 OF 1	REV.



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

Stephen G. Boyden
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

June 12, 2003

Charles A Semborski
Geology/Permitting Supervisor
Energy West Mining Co.
P.O. Box 310
Huntington, UT 84528

RE: 2003 Energy West Drilling Program
Special Request to Relocate Drill Home EM-187
Coal Lease ML 48258

Dear Mr. Semborski:

This letter will advise you that the Trust Lands Administration has no objection to relocating drill hole #EM-187 from Crandall Canyon to Rilda Canyon. Please also obtain approval from the Manti-Las Sal National Forest and the Division of Oil, Gas & Mining.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Pamela Grubaugh-Littig
Tom Lloyd



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

June 27, 2003

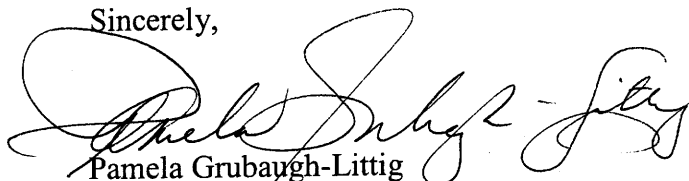
Chuck Semborski, Environmental Supervisor
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Re: Approval of Modified Exploration Plan (Relocation of Drill Hole EM-187), PacifiCorp,
Deer Creek Mine, C/015/018-EX01B, Outgoing File

Dear Mr. Semborski:

The relocation of drill hole EM-187 is approved effective June 26, 2003. If you have any questions, please feel free to call me at (801) 538-5268.

Sincerely,



Pamela Grubbaugh-Littig
Permit Supervisor

an

cc: Jim Kohler, BLM
Melissa Blackwell, USFS
Tom Faddies, SITLA
Price Field Office

O:\015018.DER\FINAL\App_modifiedexploration.doc

Decision Memo
Amended June 26, 2003
PacifiCorp-Energy West Mining Company
Upper Joes Valley/ Mill Fork/Crandall Canyons 2003
Helicopter Assisted Drilling Program

USDA Forest Service, Intermountain Region
Manti-La Sal National Forest
Ferron-Price Ranger District
Emery County, Utah

I. INTRODUCTION

The Forest Service has evaluated an application submitted by Energy West Mining Company (proponent), a subsidiary of PacifiCorp, for a helicopter assisted drilling program on State Coal Lease ML-48258. This project would be on lands in which the surface is administered by the USDA Forest Service, Manti-La Sal National Forest; and the subsurface coal estate by the State of Utah, School & Institutional Trust Lands Administration (SITLA). The general location is the Mill Fork, Crandall Canyon, and upper Joes Valley area about 13 miles northwest of Huntington, Utah.

The proposed project would consist of drilling 5 holes during late summer, 2003 (July 15 to September 30) (see attached map). The project would be done using helicopter assistance resulting in very little (<100 sq ft/site) surface disturbance with no road construction proposed. Three (3) of the proposed holes were permitted for the 2002 season but were not completed due to drilling conditions and the drought situation (EM-180, EM-181, and EM-183). Two additional holes are being proposed in the Crandall Canyon area (EM-186 and EM-187). Below is a tabulation of drill hole numbers, location, elevation, depth, and permit status.

Table:

Hole Number	Location	Elevation (Ft)	Depth (Ft)	Status
EM-180	1500' North, 1450' East, SW Corner Section 7, T16S, R7E, Mill Fork Canyon	9240	1330	2002 SUP
EM-181	100' North, 1100' East, SW Corner Section 12, T16S, R6E, Mill Fork Canyon	9320	1375	2002 SUP
EM-183	200' South, 300' West, NE Corner Section 15, T16S, R.6E, Upper Joe's Valley	9060	1140	2002 SUP
EM-186	1092' South, 1045' East, NE Corner Section 7, T.16S., R.7E, Crandall Canyon	9225	1330	New 2003 Proposed Location

EM-187 Amended Location	2550' South, 2460' West, NE Corner Section 24 T16S., R. 7E., Rilda Canyon	9200	1200	New 2003 Proposed Location
-------------------------------	---	------	------	----------------------------------

On June 9, 2003 Energy West Mining requested to relocate drill hole EM-187 from Crandall Canyon to Rilda Canyon – Right Fork. Due to the results of the recently completed hole in Mill Fork Canyon (EM-180), the site approved in Crandall Canyon (EM-187) is not needed for a foreseeable period. Currently Energy West is developing a set of mains to access the Mill Fork reserves from the Deer Creek Mine. A drill site in Rilda Canyon would assist Energy West in predicting geologic conditions within the projected Mill Fork Access Mains and the quality of coal delivered to the Huntington Power Plant.

The purpose of the drilling would be to provide information necessary to evaluate the coal seam thickness, coal quality, and further characterize the geology of the area's coal reserves. These data are needed for mine plan development. The drilling technique would consist of helicopter-assisted wireline coring from the surface to total depth (TD) about 10 to 20 feet below the Hiawatha seam. Cores samples would be obtained from the two potential mineable seams, the Blind Canyon and the Hiawatha seam.

Below is a basic outline of the proposed helicopter assisted drilling project and needed support

- The drill rig(s), and equipment, and supplies would be transported by truck to staging areas in Mill Fork Canyon and upper Joe's Valley on existing Forest Service roads. From there it would be flown to each respective site. Equipment would include a diesel powered water pump, baskets of drill rod, water tanks and other miscellaneous items including fire suppression equipment. Road Use Permits would be obtained prior to commencement of drilling operations.
- Site preparation would include minor digging with hand tools to achieve a level area for drill platform placement. Brattice cloth (a sheet of rugged impermeable yellow material) would be temporarily placed on ground at each site prior to equipment placement to protect soils from potential contamination.
- Drill rig(s) and support equipment would be flown from the staging area to each site via helicopter.
- Needed water would be pumped from the approved water source to each drill site through a 1" yellow hose placed temporarily on the ground. The hose is flown into place by helicopter in lengths of 200 feet and is manually connected. For water rights, PacifiCorp has requested that a Temporary Exchange approved for drilling in 2002 be extended through the 2003 field season.
- Water and drilling fluid would be captured into portable tubs and re-circulated to eliminate soil and stream contamination.
- Drill cuttings would be collected and removed off FS Lands to an approved waste rock site.
- When drilling is complete and the necessary down hole geophysical data are acquired, holes would be plugged with cement slurry and bentonite per BLM and USFS approved drill hole plugging and abandoning procedures.
- Drilling and other support equipment would be removed via helicopter from the drill sites. Minor reclamation and scarification would be done with hand tools.
- Disturbed areas would be reseeded with approved USFS recommended seed mixture. Any contaminated soil would be removed and taken to an approved waste site of Forest Lands.

PacifiCorp/Energy West would request a one year extension of the 2002 Road Use Permit for the following roads: (1.) Mill Fork Canyon, FS Road 50245; (2.) Cottonwood Creek, FS Road 50040; (3.) Indian Creek, FS Road #50017; (4.) Crandall Canyon Road, FS Road #50248.

PacifiCorp/Energy West proposes to schedule drilling activities to reduce potential raptor impacts and adhere to the special raptor monitoring protocols established during the 2002 season.

After a review of the project by Forest Service wildlife specialist it was suggested that EM-181 and EM-183 be relocated away from potentially suitable habitat for Canada lynx. The proponent proposed relocating the locations about 200 yards north away from the potential lynx habitat.

In addition, the proponent requested the drilling schedule be modified an earlier date to allow access when water would likely to be more abundant (EM-180 and EM-186) and likely be absent later in the summer due to the continuing drought. Drilling activities would not take place until after the completion of the annual raptor survey or after consultation and verification with the Division of Wildlife Resources.

DECISION TO BE MADE

SITLA, the coal estate owner, has an outstanding right to occupy National Forest System lands for the purpose of exploring for and developing their coal estate. Therefore, authorization of surface occupancy is non-discretionary under Federal Regulations 36 CFR 251. However, the District Ranger can require mitigations to minimize the effects to other resources in the area.

The District Ranger Ferron/Price District, Manti-La Sal National Forest, must decide what terms and/or conditions need to be incorporated into a Forest Service Special-Use Permits authorizing the occupancy of National Forest System lands for the protection of non-coal resources.

FOREST PLAN

The Forest Plan identifies the project area as being managed for production of forage and cover for domestic livestock and wildlife (RNG Management Area). Mineral activities are permitted as long as appropriate mitigation measures are applied to assure continued livestock access and use. The project lies within the East Mountain Inventoried Roadless Area or RARE II (Roadless Area Review and Evaluation) Area. The roadless character was evaluated in the Forest Plan. The recreational opportunity spectrum was designated as "Semi-Primitive Motorized to Roaded Natural Appearing", and the visual quality objective is "Modification" and "Partial Retention". All work is helicopter assisted, therefore; will not affect the roadless character and is consistent with Forest Plan direction.

II. DECISION

I have decided to authorize occupancy of National Forest System lands to conduct the proposed 5 hole helicopter assisted coal drilling project on State Coal Lease ML-48258 by issuing Special-Use and Road Use Permits to EnergyWest Mining (PacifiCorp) subject to terms and conditions of the permits and provisions of the drilling plan as altered by the attached stipulations (Attachment 2). The Forest Plan, as amended, and Final Environmental Impact Statement are programmatic documents that considered coal development activities in conjunction with other activities on the Manti-La Sal National Forest. The proposal is consistent with all Forest Plan requirements.

This Decision amends the earlier Decision of May ?, 2003 to accommodate the change in drill site location for EM-187. Further this Decisions amends the earlier Stipulations and adds mitigation for potential effects on goshawks.

It is my determination that this decision may be categorically excluded from preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) under Forest Service Handbook 1909.15, Chapter 30, Section 31.2(3) "Approval, modification, or continuation of minor special use of National Forest System lands that require less than five contiguous acres of land." This category was determined appropriate because the area affected by this decision is short term with little disturbance. The total area of new disturbance would be less than 1 acre. There will be negligible impacts to surface resources, and surface uses would remain essentially the same.

My decision will be implemented via transmittal of this Decision Memo and by a consent letter to UDOGM (Utah Division of Oil, Gas, and Mining). A Special Use Permit and Road Use Permit, with terms and conditions needed to protect non-mineral resources, will be issued to authorize access to and surface occupancy of the Utah State Coal Lease ML-48258.

III. DECISION RATIONALE

This decision was made after careful consideration of the proposal, public involvement, and the entirety of the supporting record. No one fact or single piece of information led to the decisions. Rather, a combination of factors contributed to it. The key considerations are discussed in the following sub-parts.

Attainment of Agency Goals:

The general purpose and need for this project is to accomplish the following goal of the Forest Plan: "Provide appropriate opportunities for and manage activities related to locating, leasing, development, and production of mineral and energy resources," (Forest Plan, p. III-4). Another related goal of the Forest Plan is: "Manage geologic resources, common variety minerals, ground water, and underground spaces (surficial deposits, bedrocks, structures, and processes) to meet resource needs and minimize adverse effects."

The effects of coal leasing, reasonably foreseeable coal development activities, and other past, present, and reasonably foreseeable actions were disclosed in the Mill Fork Federal Coal Lease Tract UTU-71307, Environmental Assessment, Lease-by-Application No. 11, 1997. The proposed exploration project is consistent with this analysis.

The project-specific purpose and need of the proposed action is to authorize occupancy and use by the lessee to exercise their right to explore their existing lease(s) by evaluating the geologic stratigraphy and structure and validating the geologic potential of the area. Additionally, it is necessary to determine what mitigations are needed to assure consistency with the BLM and Forest Service policies, applicable laws, and regulations, and the Land and Resource Management Plan, Manti-La Sal National Forest, 1986.

The decision wholly meets the project's purpose and need.

Drill Hole Location Change:

Originally the proposed activities were scoped and analyzed for drill hole EM-187 to be drilled in Crandall Canyon instead of the Right Fork of Rilda Canyon as proposed in this amended Decision Memo. The analysis was reviewed for adequacy and applicability to the new site and the location change did not result in any change in effects. Since the temporary disturbance and the terrain of the drill site is the same from one location to the other, the effects were transferred to the new site. At this time, the other drill holes have either been completed or nearly completed and were covered under the original Decision. Monitoring during the drilling operations did not turn up any unexpected effects. No raptors have been observed by personnel during operations at locations already drilled. The amount of disturbance was minor and confined to the drill site. The length of time of disturbance was about 7 days for each hole.

Absence of Extraordinary Circumstances:

I recognize that the proposed drilling activities are within the East Mountain Inventoried Roadless Area. I have found that the project will not effect the roadless characteristics; there is no road construction proposed. In addition, with helicopter assisted drilling, surface disturbance is very minor and there are no long-term effects to the surface resources. There will be no affect on soil water and air, public drinking water, dversity of plant and animal communities, habitat for T&E species, natural appearing landscape, cultural recources or other unique characteristics of the area.

Existing resource conditions and potential extraordinary circumstances have been considered in making the decision:

Steep slopes or highly erosive soils- The proposed drilling areas are located away from steep slopes and highly erosive soils.

Threatened and endangered species or their critical habitat- A Biological Assessment and Biological Evaluation (BA/BE) was prepared and signed on May 13, 2003 and is available from the Forest Service project file. It was determined that the project will have no effect on T&E wildlife species or habitat. EM 181, EM-183 and EM-187 (amended location) were relocated a reasonable distance away from what could be considered suitable habitat for the Canadian lynx.

Sensitive Wildlife Species The BE identified four sensitive species - northern goshawk, spotted bat, flammulated owl, and northern three-toed woodpeckers - as "May impact individuals or habitat, but will not likely contribute to a trend towards federal listing or loss of viability to the population or species."

A recent goshawk survey conducted in response to the request to relocate EM-187 have identified two Northern goshawk nests located 2800 to 3000 feet from the proposed drill hole site. One nest is active while the other is not active. These nests are outside the recommended ½ mile no activity buffer recommended by the Utah Field Office Raptor Guidelines. A flight and activity exclusion area was established which includes not crossing the Rilda Canyon, Right – Fork drainage and all the northeast facing slope area to the top of East Mountain. (Attachement 1, Map).

Management Indicator Species- MIS have been considered as part of this decision. The timing of some of the drilling is during elk calving and deer fawning season. It was determined that impacts to animals would be minimal due to the lack of snow pack and the ability of deer and elk to freely move to other locations; in addition, habitat will not be permanently altered. It was also stipulated (attachment 2 Stipulations, item 20) flight paths will be strictly adhered to and only necessary flights will be made. It was determined by Utah Department of Wildlife Resources the project activities would not alter habitat of the blue grouse and there will be no direct impacts to the habitat. On May 23, 2003 UDWR monitored for 3 golden eagle nest sites within the project area. It was determined all three nests were inactive.

Although there is an intermittent stream in the proposed project area, and a perennial stream near the project area those drainages would not be adversely impacted by drilling activities. Therefore, there is not likely to be any direct or indirect impacts on aquatic macroinvertebrates.

Floodplains, wetlands, or municipal watersheds- Very little earth disturbance will occur for each drill site. There are no floodplains or wetlands in the area and there will be no effect on any floodplains or wetland further down in the drainage.

Congressionally designated areas, such as wilderness, wilderness study areas, or National Recreation Areas- There are no wilderness, wilderness study areas, or National Recreation Areas in or around the project area. The nearest wilderness area is the Nebo Wilderness located on the Uinta National Forest approximately 50 miles to the northwest.

Inventoried roadless area- The project area is within the East Mountain Inventoried Roadless Area. Project activities will have no effect to the roadless characteristics since no road construction or road access into the roadless area is required. Other roadless characteristics considered and determine to have no affect include 1.) High quality or undisturbed soil, water and air; 2.) Sources of public drinking water, 3.) Diversity of plant and animal communities; habitat for threatened, endangered, proposed, candidate, and sensitive species and for those species dependent on large, undisturbed areas of land; 5.) Primitive, semi-primitive non-motorized an semi-primitive motorized classes of dispersed recreation; 6.) Reference landscapes; 7.) Natural appearing landscapes with high scenic quality; 8.) Traditional cultural properties and sacred sites; and other locally identified unique characteristics.

Research Natural Area- The project area is not located within any Research Natural Areas (RNAs). The nearest RNAs are Nelson Mountain, west of Ferron, Utah, and Elk Knoll in Manti Canyon. The Mont Lewis Botanical Area is located approximately 18 miles to the north of the project area.

Native American religious or cultural sites, archeological sites, or historic properties or areas- In accordance with Section 106 of the National Historic Preservation Act an archaeological inventory of the proposed project area was conducted by John Senulis of Senco-Phenix Archaeological Consultants and Energy West. No cultural resources were found. Based on the findings of the cultural resource inventory, the minimal surface impact of the project and subsequent consultation with the Utah State Historic Preservation Officer, it has been determined that there will be no effect on cultural resources as a result of the proposed project. Consultation with Native American groups has disclosed no religious or Traditional Cultural Properties.

The area has been previously inventoried for cultural resources and no sites will be affected by the proposed relocation of EM-187.

IV. PUBLIC INVOLVEMENT

Public scoping consisted of sending 31 letters to interested parties by mail along with public notices published in Emery County Progress and the Sun Advocate. This is a partial list of the individuals, groups, and agencies contacted: Emery County Public Lands Advisory Board; Utah Environmental Congress; Utah Dept. of Wildlife Resources; Huntington-Cleveland Irrigation Company; John Blake, State Institutional Trust Lands Administration; John Larsen, Crandall Ridge Sheep Allotment; Jack Stoyanoff, North Emery Water Users Association; and the Ute and Paiute Tribes.

Public Response:

Public comments were sought by letter (March 5, 2003) and by legal notices in the Emery County Progress (March 11, 2003) and the Sun Advocate Newspaper (March 11 and 13, 2003). All comments were considered throughout the planning process for this project.

After hearing a description of the project activities, comments were received from the interest groups:

1. The Utah Environmental Congress (UEC) responded with their letter dated March 19, 2003 and expressed a number of concerns which have been addressed in the Forest Service response (attachment #3).
2. North Emery Water User Association commented they were concerned about potential impact to their spring. After detailed review the proposal, they responded back saying they were satisfied there would be no problem with the proposed drilling.
3. Utah Department of Wildlife Resources was concerned about potential conflicts with a special trophy bull elk hunt scheduled from September 13th thru September 23rd. It was determined the activities would be completed prior to the special hunt (attachment 2, Stipulation, item #3).
4. US Department of Interior, Fish and Wildlife Service reported several concerns and recommendations.
 - a. Disruption of raptors during breeding and nesting seasons
 - b. Assess potential impacts to sage grouse, and elk habitat
 - c. Provided an updated list of threatened (T) and endangered (E) species to include the bald eagle.
 - d. Consider the locale and affect of habitat of Canada lynx and other T & E species.These items have been addressed in the BE/BA and Forest Service drilling stipulations (attachment #2).

Supplemental Public Scoping to relocate EM-187 was done by e-mail and telephone to parties that had commented on the original proposal. Interested parties contacted were Utah Division of Wild Life Resources, US Fish and Wildlife Service and Utah Environmental Congress.

Tony Wright of the UDWR had no concerns.

Diana Whittington, US Fish and Wildlife concerned about a possible goshawk nest, but satisfied with establishing flight exclusion areas as needed to provide reasonable measures to protect any goshawk nesting sites and also recommended line of sight surveys around the proposed site to provide additional assurance that you will not impact other raptors or risk a bird air strike that would endanger the lives of the drilling personnel.

Craig Axford of UEC commented about

1. "significant golden eagle population which was documented within the materials provided" "In addition, mule deer, elk and other mammals could be stressed by helicopter activities"

Response: There are 3 documented golden eagle nests in the lease area. Two of these nests are inactive and one was tended during the winter and spring season of 2003. No golden eagles are currently nesting in the area. Wildlife Biologists have concluded that with helicopter assisted drilling no elk or deer habitat will be permanently altered due to the established procedures of helicopter drilling including no pad or road construction, placement of a impermeable cloth prior to equipment placement and the relatively short duration of drilling activities. There may be short term disturbance to deer or elk as helicopter flights are made for drilling activities. However, flight routes are adhered to and drilling is completed in 5 to 8 days at each site. Since

disturbance would occur for short periods of time at isolated locations on the landscape, impacts to deer and elk are not expected to be appreciable.

2. "We renew our request the Manti-La Sal National Forest consider the Oil, Gas and Coal activities across the Wasatch Plateau through a programmatic Environmental Impact statement"

Response: The comment was addressed in Attachment 3, Comment 3, pg. 3, of the original Decision Memo.

3. "if any additional changes to exploration activities planned by Energy West are requested, we request more than two business days to respond.

Response: It is normal practice of the Manti-LaSal National Forest to allow at least 30 days for comments to scoping. The original proposal was scoped for 30 days. The change of one drill site was minor enough that less scoping was determined appropriate.

V. FINDINGS REQUIRED BY OTHER LAWS AND REGULATIONS

To the best of my knowledge, the decision complies with all applicable laws and regulations. The associations of the decision to some pertinent legal requirements are summarized below:

National Forest Management Act of 1976: The Forest Plan was approved November 5, 1986, as required by this Act. This long-range land and resource management plan provides guidance for all resource management activities in the Forest. The National Forest Management Act requires all projects and activities to be consistent with the Forest Plan. The Forest Plan has been reviewed in consideration of this project. The decision will be consistent with the Forest Plan.

Federal Land Planning and Management Act of 1976: The decision is consistent with FLPMA and Forest Service Regulations contained in 36 CFR 250. Operations will not involve disposal of waste materials or unacceptable risks to public safety or forest resources.

National Historic Preservation Act: The proposal would not result in any impacts to cultural or historic resources. (Project file)

Endangered Species Act: The Biological Assessment/Biological Evaluation has disclosed that this project will not effect on threatened, endangered plant, fish or wildlife species. It was also determined there will be no impact on sensitive plant fish and amphibian species. In addition, it has been determined there will be no impact on sensitive species of spotted bat, Townsend's big-eared bat, and the peregrine falcon. It was determined the project may impact individuals, but not likely contribute to a trend toward Federal listing or cause a loss of viability to the flammulated owl, northern goshawk and the three toed woodpecker.

National Environmental Policy Act: The entirety of documentation for this project supports that the project analysis complies with this Act.

Environmental Justice: Based on experience with similar projects on the Ferron-Price Ranger District, it is believed that this project would not have any disparate impacts on individual groups of peoples or

communities. Implementation of this project will produce no adverse effects on minorities, low-income individuals, Native Americans or women. No civil liberties will be affected.

Transportation (Roads Analysis FSM 7712)

A separate project-specific roads analysis was not prepared for the following reasons:

- No new roads are needed for this project. Drill sites will be accessed by helicopter.
- Forest Service classified roads will be used for access to helicopter staging areas, however no road improvements will be necessary.
- Classified roads serving the project area were assessed in the Forest Scale Roads Analysis, which calls for retention of the roads proposed for use to support this project.

VI. IMPLEMENTATION DATE AND APPEAL OPPORTUNITY

Implementation of the decision may occur immediately upon my signature of this document and issuance of the required permits.

This decision is not subject to appeal pursuant to 36 CFR 215.

This decision is subject to appeal pursuant to 36 CFR 251.82. Notice of appeal must be postmarked or received by the Appeal Reviewing Officer within 45 days of the date of this decision. A notice of appeal, including the reasons for appeal, must be filed with the Regional Forester, Intermountain Region, Federal Building, 324 25th Street, Ogden, Utah 84401. A copy of the notices must be filed simultaneously with the Forest Supervisor, Manti-La Sal National Forest, 599 West Price River Drive, Price, Utah 84501. Appeals must meet the content requirements of 36 CFR 251.90.

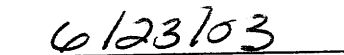
VII. CONTACT PERSON

For additional information concerning the Forest Service decision, please contact Tom Lloyd at the USDA Forest Service, Manti-La Sal National Forest (address: 115 West Canyon Road, P.O. Box 310, Ferron, Utah 84523; telephone: (435-384-2372).

VIII. SIGNATURE AND DATE



Mesia Nyman



Date

Ferron/Price District Ranger, Manti-La Sal National Forest

Attachments: (#1) Map (#2) Stipulations (#3) Forest Service Response

ATTACHMENT 2

STIPULATIONS Amended for Relocation of EM-187

PacifiCorp-Energy West Exploration 2003 Special Use Permit for Helicopter Assisted Drill Hole on State of Utah Lease # ML-48258 (Mill Fork Tract)

1. A pre-work meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project location prior to commencement of operations. Site-specific Forest Service requirements will be discussed at this time.
2. A Road Use Permit must be obtained from the Forest Service before equipment is transported onto National Forest System lands.
3. Operations will be allowed after annual raptor surveys are conducted by DWR and concurrence to process with operations are granted from May 30 to August 31, 2003.
4. All surface disturbing activities including reclamation must be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site and presented upon demand to any Forest Service Official.
5. The Forest must be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
6. Establishment of campsites and staging areas on National Forest System lands in support of this project is subject to Forest Service approval.
7. The Forest Service must be notified of any proposed alterations to the plan of operations. Any changes to the existing plan are subject to Forest Service review and approval.
8. Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
9. All gasoline, diesel, and steam-powered equipment must be equipped with effective spark arrestors or mufflers. Spark arrestors must meet Forest Service specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.

10. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.
11. Operations are subject to Forest Service fire restrictions and the Forest Service reserves the right to suspend operations during periods of high fire potential.
12. Water needed in support of operations must be properly and legally obtained according to Utah State water laws. The location of diversions, if on National Forest System lands, are subject to Forest Service review and approval. The operator shall assure that continuous stream flow is maintained below take out points at each source of water to minimize impact to wildlife, and livestock.
13. Unauthorized off-road vehicular travel is prohibited.
14. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.
15. If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Forest Service must be notified of the discovery.
16. Gates must be closed after entry unless otherwise specified.
17. The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.
18. Operations must be coordinated with grazing permittees to prevent conflicts. Range permittees must be notified of operations at least one week prior to starting drilling operations.
19. Harrassment of wildlife and livestock is prohibited.
20. Helicopter flight lines must be adhered to and the quantities of flights must be minimized. Flights are to keep a safe (one half mile) distance from active raptor nest. Active raptor nests are to be monitored during the drilling and helicopter operations. An acceptable ground based raptor monitoring plan is required by EnergyWest/Pacificorp to the Forest Service prior to commencement of operations. The no fly/no activity exclusion area shall be strickly adhered per amended map for EM-187 (attachment 1).
21. Equipment and materials will be transported by helicopter to each site. Personnel will access the sites by foot from existing roads or by helicopter.

22. Drill pads will be designed to prevent soil contamination by placing brattice or other similar material on the ground prior to placement of equipment. Only minor digging with hand tools is authorized for site preparation.
23. An acceptable spill containment/spill removal contingency plan must be submitted to the Forest Service Prior to commencement of operations. MSDS sheets required on site for fuel, oils, and drilling additives.
24. All drilling fluids, mud and cuttings must be contained on the project site in portable containers and removed to an approved site as part of reclamation. No fluids will be discharged or dumped into streams or onto the ground.
25. During the drilling operations all trash, garbage and other refuse must be properly contained on the project site prior to disposal at authorized sites.
26. All significant water encountered during drilling must be reported to the Forest Service, including the depth and formation at which it was encountered, and an estimate of the flow.
27. If any of the drill holes encounter artesian groundwater flow, the District Ranger must be notified prior to plugging the hole to determine whether or not the Forest Service would elect to establish a permanent water development at the site.
28. All drill holes must be plugged in accordance with Federal and State regulations.
29. The operator must remove all drilling equipment, trash, garbage, flagging, vehicles and other materials from National Forest System lands as part of reclamation. Oil and fuel contaminated materials including contaminated soils and gravel must be removed and transported to approved location.
30. Drill rigs and heavy equipment (not including water trucks) must not be transported in or out of the National Forest System lands during the opening of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends.
31. Drill Sites must be reclaimed upon hole completion scarification and reseeding. Exceptions require Forest Service approval.
32. Seeding will be done with the following certified seed mix:

<u>Basic Mix:</u>	<u>#seeds/sq.ft</u>	<u>PLS lbs./acre</u>
Mountain Brone (Bromus carinatus)	15	4.5
Slender wheatgrass (Elymus trachycaulus)	15	4.5
Perennial ryegrass (Lolium perenne)	15	0.75
Pacific aster (Aster chilensis)	12	0.2
<u>Total</u>	57	9.95
<u>Supplement*</u>		
Sulfur flower (Eriogonum umbellatum)	10	2.0
Rocky Mountain penstemon (Penstemon strictus)	10	0.75
<u>Total</u>	20	2.75

The certified weed-free seed mixture must be 99 percent pure live seed containing a maximum of 1% weeds none of which are noxious.

33. All disturbed drainages must be replaced to their approximate original configuration when the project area is reclaimed.

34. Reclamation efforts will be diligently pursued to insure that a minimum ground cover is established on all disturbed areas which is equal to or greater than the surrounding undisturbed areas.

35. The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation. Vehicles and drilling equipment are to be cleaned prior to entering National Forest System lands.

36. Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture.

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Service Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

to: Mesia Nyman
Ferron/Price Ranger District
at: Manti-La Sal National Forest
115 West Cany Road,
Box 310
Ferron, Utah 84523

Telephone No. (435) 384-2372

who is the authorized representative of the Secretary of Agriculture.

Fleck, Ken

From: Semborski, Chuck
Sent: ~~Tuesday, October 07, 2003 7:48 AM~~
To: Fleck, Ken
Subject: FW: Special Request: Relocation of EM-187

Attachments: reloc187.pdf; General Location Map.jpg; 2003 Raptor Locations, Flight Paths, Staging Area.jpg; Rilda Canyon Aerial Photo 1.jpg

From: Semborski, Chuck
Sent: Monday, June 09, 2003 5:40 PM
To: 'Thomas W Lloyd'; 'pamgrubaughlittig@utah.gov'; 'stevedemczak@utah.gov'; 'Jerriann Ernstsens'; 'jblake@utah.gov'
Subject: Special Request: Relocation of EM-187

RE: 2003 ENERGY WEST DRILLING PROGRAM: SPECIAL REQUEST TO RELOCATE DRILL HOLE EM-187 FROM CRANDALL CANYON TO RILDA CANYON (RIGHT FORK) - UTAH STATE COAL LEASE ML-48258; PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH

As stated in the attached request (review attachments), Energy West is requesting permission to relocate EM-187 from Crandall Canyon to the Right Fork of Rilda Canyon. Energy West initiated drilling on May 30th and completed EM-180 (Mill Fork Canyon) on June 8, 2003. Currently, the two drill rigs are positioned on drill holes EM-181 (Mill Fork Canyon) and EM-186 (Crandall Canyon). If approved, Energy West anticipates moving to EM-187 on June 19, 2003.

Cover Letter:



reloc187.pdf (25 KB)

Drawings:

General Location:



General Location Map.jpg (248 ...)

2003 Raptor Data:



2003 Raptor Locations, Flight ...

Rilda Canyon Aerial Photo:



Rilda Canyon Aerial Photo 1.jp...

Thank you for your assistance in this special request.

Charles A. Semborski

**Charles A. Semborski
Geology/Permitting Supervisor
Energy West Mining Company
Phone 435.687.4720
Fax 435.687-2695**

Fleck, Ken

From: Semborski, Chuck
Sent: Tuesday, October 07, 2008 7:48 AM
To: Fleck, Ken
Subject: FW: Special Request: Relocation of EM-187

From: John Blake [mailto:JBLAKE@utah.gov]
Sent: Tuesday, June 10, 2003 8:53 AM
To: 'Thomas W Lloyd'; chuck.semborski@pacificorp.com; Jerriann Ernsten; Pam Grubaugh-Littig; Steve Demczak
Subject: Re: Special Request: Relocation of EM-187

Trust Lands has no objection to this proposed relocation of drill hole EM187.

>>> "Semborski, Chuck" <chuck.semborski@pacificorp.com> 06/09/03 05:39PM >>>

RE: 2003 ENERGY WEST DRILLING PROGRAM: SPECIAL REQUEST TO RELOCATE DRILL HOLE EM-187 FROM CRANDALL CANYON TO RILDA CANYON (RIGHT FORK) - UTAH STATE COAL LEASE ML-48258; PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH

As stated in the attached request (review attachments), Energy West is requesting permission to relocate EM-187 from Crandall Canyon to the Right Fork of Rilda Canyon. Energy West initiated drilling on May 30th and completed EM-180 (Mill Fork Canyon) on June 8, 2003. Currently, the two drill rigs are positioned on drill holes EM-181 (Mill Fork Canyon) and EM-186 (Crandall Canyon). If approved, Energy West anticipates moving to EM-187 on June 19, 2003.

Cover Letter:

<<reloc187.pdf>>

Drawings:

General Location:

<<General Location Map.jpg>>

2003 Raptor Data:

<<2003 Raptor Locations, Flight Paths, Staging Area.jpg>>

Rilda Canyon Aerial Photo:

<<Rilda Canyon Aerial Photo 1.jpg>>

Thank you for your assistance in this special request.

Charles A. Semborski

Charles A. Semborski
Geology/Permitting Supervisor
Energy West Mining Company
Phone 435.687.4720
Fax 435.687-2695

10/07/2008

Fleck, Ken

From: Semborski, Chuck
Sent: Tuesday, October 07, 2008 7:48 AM
To: Fleck, Ken
Subject: FW: Special Request: Relocation of EM-187

-----Original Message-----

From: Pam Grubaugh-Littig [mailto:PAMGRUBAUGHLITTIG@utah.gov]
Sent: Tuesday, June 10, 2003 3:25 PM
To: chuck.semborski@pacificorp.com; John Blake
Cc: Tom Lloyd; Jerriann Ernstsens; Steve Demczak; Susan White
Subject: Re: Special Request: Relocation of EM-187

Chuck - you need to tie it to the existing exploration plans (hydrology, biology, engineering, soils, geology). If not, please identify the differences. Please submit. Thank you. Pam

>>> "Semborski, Chuck" <chuck.semborski@pacificorp.com> 06/09/03
05:39PM >>>
RE: 2003 ENERGY WEST DRILLING PROGRAM: SPECIAL REQUEST TO RELOCATE
DRILL
HOLE EM-187 FROM CRANDALL CANYON TO RILDA CANYON (RIGHT FORK) - UTAH
STATE
COAL LEASE ML-48258; PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY,
UTAH

As stated in the attached request (review attachments), Energy West is requesting permission to relocate EM-187 from Crandall Canyon to the Right Fork of Rilda Canyon. Energy West initiated drilling on May 30th and completed EM-180 (Mill Fork Canyon) on June 8, 2003. Currently, the two drill rigs are positioned on drill holes EM-181 (Mill Fork Canyon) and EM-186 (Crandall Canyon). If approved, Energy West anticipates moving to EM-187 on June 19, 2003.

Cover Letter:

<<reloc187.pdf>>
Drawings:
General Location:
<<General Location Map.jpg>>

2003 Raptor Data:

<<2003 Raptor Locations, Flight Paths, Staging Area.jpg>>

Rilda Canyon Aerial Photo:
<<Rilda Canyon Aerial Photo 1.jpg>>

Thank you for your assistance in this special request.

Charles A. Semborski
Charles A. Semborski
Geology/Permitting Supervisor
Energy West Mining Company
Phone 435.687.4720

Fleck, Ken

From: Semborski, Chuck
Sent: ~~Tuesday, October 07, 2008 7:47 AM~~
To: Fleck, Ken
Subject: FW: Energy West Relocation of EM-187: Requested Data

Attachments: DOGMEM187Information.wpd

From: Semborski, Chuck
Sent: Thursday, June 12, 2003 12:24 PM
To: 'pamgrubaughlittig@utah.gov'; 'stevedemczak@utah.gov'
Subject: Energy West Relocation of EM-187: Requested Data

Pam & Steve,

Please review the enclosed document:



DOGMEM187Information.wpd (47 K...

Thanks for help.

Charles A. Semborski

Charles A. Semborski
Geology/Permitting Supervisor
Energy West Mining Company
Phone 435.687.4720
Fax 435.687-2695

Fleck, Ken

From: Semborski, Chuck
Sent: ~~Tuesday, October 07, 2008 7:47 AM~~
To: Fleck, Ken
Subject: FW: Special Request: Relocation of EM-187

Attachments: 0040.pdf



0040.pdf (240 KB)

-----Original Message-----

From: Pam Grubaugh-Littig [mailto:PAMGRUBAUGHLITTIG@utah.gov]
Sent: Friday, June 13, 2003 9:19 AM
To: twlloyd@fs.fed.us; chuck.semborski@pacificorp.com
Cc: creed01@fs.fed.us; John Blake; Jerriann Ernstsens; Steve Demczak
Subject: Re: Special Request: Relocation of EM-187

Tom - I received this letter from Chuck yesterday (attached). Please let me know. Thank you.

>>> "Thomas W Lloyd" <twlloyd@fs.fed.us> 06/10/03 06:02PM >>>

Chuck,

This is let you know that I have recieved your request.
I have sent your request out the ID Team for comments.
I will have to do some form of scoping. This is a major relocation of a proposed site.

I will have to evaluate the time frame to determine what is feasable and detemine in more detail what must be done. I can look at it on Thursday.

I will also to have some in-house discussions as to what needs to be done to try to accomdate your request (hopefully on Thursday).

Tom Lloyd

DOGM/U.S.F.S.
EM-187 Relocation to Rilda Canyon
June 9, 2003
Page Three

Pacificorp has obtained the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the proposed drill holes. Where water is taken from streams, this is done by laying an intake hose directly in the stream. No disturbance is made to the stream course.

As required by the U.S.D.A. Forest Service for the 2002 drilling program (including the approved modified program), PacifiCorp contracted SENCO-PHENIX Archeological Services (Price, Utah) to conduct a file search for the proposed drilling activities. After the archeological field survey for the 2001 drilling program, SENCO-PHENIX recommended that PacifiCorp ask the U.S.D.A. Forest Service to waive the requirement for a field inspection of all drill sites due to the remoteness, small size, and minimal impact of the sites examined, and the limited probability of any future drill sites in the area impacting archaeological resources. SENCO-PHENIX Archeological Services (Price, Utah) has conducted a file search for the proposed drilling activities in Rilda Canyon.

Energy West estimates that projected startup time for EM-187 would be June 16, 2003. Time to completed the hole would be approximately seven (7) days.

If you require any additional information please call me at (435) 687-4720.

Thank you for your assistance in this special request.

Sincerely,

Charles A. Semborski

Charles A. Semborski
Geology/Permitting Supervisor

DOGM.

EM-187 Relocation to Rilda Canyon

June 12, 2003

Page Two

Energy West will comply with the performance standards and conditions stated in the approved Notice of Intent to Conduct Minor Coal Exploration (approved on May 29, 2003: EX01J), including all stipulations listed in the U.S.F.S. approval. The method of exploration to be used, amount of coal to be removed, and practices to be used to protect the area from adverse impacts and reclaim the area will comply with the approved plan:

The method of exploration to be used is helicopter-assisted drilling, in which the primary mode of transportation for drilling equipment and personnel is by helicopter, rather than by road. By using this method, drilling equipment can be transported into remote areas inaccessible by road to conventional drilling rigs, and environmental impact to the surface is minimized. All drills, drilling equipment, and personnel will be transported to the individual drilling sites by helicopter from staging areas located in Mill Fork Canyon.

No access road or pad construction will be necessary for the proposed site in Rilda Canyon. Drilling equipment and materials will be transported to the drill site by helicopter. Personnel will access the site by vehicle and helicopter via existing roads and on foot. The drill site are relatively level (20 percent or less slope); therefore, minimal site preparation will be necessary. Vegetation, in the form of trees, grasses, forbs and sparse, low shrubs, will not be removed. However, it may be necessary to remove dead-fall and some "taller" shrubs (mahogany, etc.)/aspen trees for safety reasons. This will be minimized and accomplished using hand tools. The dead-fall will be replaced upon completion of drilling. An area no larger than approximately 40' by 40' will be occupied at the drill site. Leveling of drilling equipment will be accomplished using hand tools and supports (wood blocks, etc.) transported to the site by helicopter. All materials, tools and equipment will be removed immediately upon completion of drilling and reclamation activities.

Energy West will comply with Practices to Protect from Adverse Impacts and to Reclaim the Area: section stated in the approved plan.

"During drilling, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek or Cottonwood Waste Rock sites for disposal. Containment of possible fluid spills will be achieved through the use of brattice ground cover, silt fence, and if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean-up, the site of removal will be recontoured and seeded with the approved seed mixture."

*Incoming
6/15/03*

June 12, 2003

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

**RE: 2003 ENERGY WEST DRILLING PROGRAM: SPECIAL REQUEST TO
RELOCATE DRILL HOLE EM-187 FROM CRANDALL CANYON TO RILDA
CANYON (RIGHT FORK) - UTAH STATE COAL LEASE ML-48258;
PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH**

As stated in our June 9, 2003 letter, Energy West requests to relocate drill hole EM-187 from Crandall Canyon to Rilda Canyon - Right Fork. Due to the results of the recently completed hole in Mill Fork Canyon (EM-180), the site approved in Crandall Canyon (EM-187) is not needed for a foreseeable period. Currently Energy West is developing a set of mains to access the Mill Fork reserves from the Deer Creek Mine. A drill site in Rilda Canyon would assist Energy West in predicting geologic conditions within the projected Mill Fork Access Mains and the quality of coal delivered to the Huntington Power Plant. The number of holes within the approved plan would remain the same, five (5).

This request would be considered an addendum to the Notice of Intent to Conduct Minor Coal Exploration approved on May 29, 2003 (EX01J). The proposed location in Rilda Canyon is located in the SW1/4NE1/4 of Section 24, Township 16 South, Range 6 East (south 2550 feet, west 2460 feet from the northeast corner). The site proposed for Rilda Canyon was selected utilizing the criteria by established by U.S.F.S. biologist: open country away from dense timber. Energy West/DWR annual raptor review conducted on May 23, 2003 did not identify any active nest within the Rilda Canyon area.

All aspects in terms of engineering principals, geologic setting, hydrology, soils, biology related to the proposed site in Rilda Canyon are similar to the sites in Mill Fork and Crandall canyons. Energy West carefully selects the exploration sites to minimize environmental affects.

RECEIVED

JUN 12 2003

DIV OF OIL GAS & MINING

Fleck, Ken

From: Semborski, Chuck
Sent: Tuesday, October 07, 2008 7:46 AM
To: Fleck, Ken
Subject: FW: Special Request: Relocation of EM-187

Attachments: 0040.pdf



0040.pdf (240 KB)

-----Original Message-----

From: Thomas W Lloyd [mailto:twlloyd@fs.fed.us]
Sent: Friday, June 13, 2003 10:24 AM
To: Pam Grubaugh-Littig
Cc: chuck.semborski@pacificorp.com; carter reed; John Blake; Jerriann Ernstsens; Steve Demczak; Don_Stephens@blm.gov
Subject: Re: Special Request: Relocation of EM-187

Pam
Thanks for a copy of this letter.

As stated below, I have contacted and forwarded the information onto the ID Team members. I have contacted parties with standing seeking comments including UEC. I have requested comments to be back by noon, Monday June 16, 2003 or sooner if possible.

It appears there is an inactive goshawk nest about 1/2 mile from the proposed site, and there some favorable goshawk habitat in the area. Our biologists are planning to do on-the-ground work in the area before making any determination. We are hoping to get this done early next week depending on work loads, other's schedules etc. Depending on the on-the-round determinations, we may require a designated flight exclusion area.

I will try to discuss the proposed project change with Mesia on Monday when she returns to determine what is needed to make a decision. Hopefully, I can have a better time line early next week.

Tom Lloyd

"Pam
Grubaugh-Littig"
<chuck.semborski@pacificorp.com>
<PAMGRUBAUGHLITTI
@fs.fed.us>, "John Blake" <JBLAKE@utah.gov>, "Jerriann
G@utah.gov"
"Steve Demczak" <STEVEDEMCZAK@utah.gov>
of EM-187

To: <twlloyd@fs.fed.us>,
cc: "carter reed" <creed01
Ernstsens" <JERRIANNERNSTSEN@utah.gov>,
Subject: Re: Special Request: Relocation

06/13/2003 09:19
AM

Tom - I received this letter from Chuck yesterday (attached). Please let me know. Thank you.

>>> "Thomas W Lloyd" <twlloyd@fs.fed.us> 06/10/03 06:02PM >>>

Chuck,

This is let you know that I have recieved your request. I have sent your request out the ID Team for comments. I will have to do some form of scoping. This is a major relocation of a proposed site.

I will have to evaluate the time frame to determine what is feasable and detemine in more detail what must be done. I can look at it on Thursday.

I will also to have some in-house discussions as to what needs to be done to try to accomdate your request (hopefully on Thursday).

Tom Lloyd

(See attached file: 0040.pdf)

Fleck, Ken

From: Semborski, Chuck
Sent: Tuesday, October 07, 2008 7:46 AM
To: Fleck, Ken
Subject: FW: Energy West drill site

-----Original Message-----

From: Diana Whittington@fws.gov [mailto:Diana_Whittington@fws.gov]
Sent: Tuesday, June 17, 2003 8:24 AM
To: JERRIANNERNSTSEN@utah.gov; susanwhite@utah.gov; chuck.semborski@pacificcorp.com
Subject: Energy West drill site

FYI. Forgot to 'cc' you on this.

Diana

----- Forwarded by Diana Whittington/R6/FWS/DOI on 06/17/2003 07:58 AM

Diana Whittington

06/17/2003 08:19
AM

To: Thomas W Lloyd/R4/USDAFS@FSNOTES
cc: Terry L Nelson/R4/USDAFS@FSNOTES
Subject: Energy West drill site

Tom,

This is to confirm the conversations you and I and Terry had last week regarding the request of Energy West to change the location of a drill hole site from Crandall Canyon to the right fork of Rilda Canyon.

As you and Terry noted, he discovered a previously undocumented Northern goshawk nest approximately 2800 feet southwest of the proposed drill site. This is outside the one-half mile buffer recommended by the Utah Field Office Raptor Guidelines. In addition, Terry said he had surveyed the nest site as recently as two weeks ago and noted no activity. You had proposed that, even though the newly discovered nest is outside the 1/2 mile buffer, you would establish an overflight exclusion area around the nest, to be safe. I agreed that would provide an extra measure of protection. I also recommended that, if possible, it would be good to conduct surveys to cover the area within line-of-sight of the proposed new site.

As the proposed new site is outside the 1/2 mile buffer of the goshawk nest, the nest is currently not occupied, and you will be establishing an overflight exclusion around the nest, I believe you have taken reasonable measures to protect the goshawk. Line-of-sight surveys around the proposed site will provide additional assurance that you will not impact other raptors or risk a bird air strike that would endanger the lives of the drilling personnel.

Thank you for your efforts on behalf of wildlife,

Diana M. Whittington
Fish and Wildlife Biologist, Energy
USFWS, Ecological Services
2369 West Orton Circle
West Valley City, UT 84119
ph: 801/975-3330 or
801/975-3337

Fleck, Ken

From: Semborski, Chuck
Sent: ~~Tuesday, October 07, 2008 7:45 AM~~
To: Fleck, Ken
Subject: FW: Millfork exploration relocation

-----Original Message-----

From: Pam Grubaugh-Littig [mailto:PAMGRUBAUGHLITTIG@utah.gov]
Sent: Tuesday, June 17, 2003 2:04 PM
To: Jerriann Ernstsén; Steve Demczak
Cc: Tom Lloyd; semborski@state.ut.us; Susan White
Subject: Re: Millfork exploration relocation

Now we're waiting for FS. Tom Lloyd said that FS would probably have a decision document by the end of the week. Once we get that, we can send a letter to Chuck. Thanks.

>>> Jerriann Ernstsén 06/17/03 12:39PM >>>

Steve,

I reviewed Energy West's request, nest and overflight maps, and Diana Whittington's letter concerning the relocation of the drill site. I agree with Diana that adequate precautions have been made for this site by Energy West to protect local raptors and their nest sites.

Thanks,
Jerriann

Fleck, Ken

From: Thomas W Lloyd [twlloyd@fs.fed.us]
Sent: Wednesday, June 25, 2003 8:56 AM
To: Pam Grubaugh-Littig
Cc: Don_Stephens@blm.gov
Subject: Energy West Mining EM-187 Drill Hole Relocation

Pam, Don

Mesia has signed an amended Decision Memo on monday June 23 authorizing the relocation of EM-187.

I conducted a pre- work meeting with the company yesterday. Their are authorized to proceed with drilling EM-187 in Rilda Canyon Right Fork.

There is a well defined activity exclusion area associated with the drilling to protect an active goshawk nest situated about 3000 feet away from the proposed location.

The rest of this year's proposed drilling is completed.

Tom Lloyd

Fleck, Ken

From: Semborski, Chuck
Sent: ~~Tuesday, October 07, 2008 7:44 AM~~
To: Fleck, Ken
Subject: FW: Energy West Mining EM-187 Drill Hole Relocation

Attachments: Energy West Mining EM-187 Drill Hole Relocation



Energy West Mining
EM-187 Dril...

-----Original Message-----

From: Pam Grubaugh-Littig [mailto:PAMGRUBAUGHLITTIG@utah.gov]
Sent: Thursday, June 26, 2003 8:26 AM
To: chuck.semborski@pacificorp.com
Cc: Jerriann Ernstsen; Steve Demczak
Subject: Fwd: Energy West Mining EM-187 Drill Hole Relocation

Chuck - you are now approved. I will follow-up with an approval letter.